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King Fahd warns Iran Saudi Arabia will hit back if attacked

MAKKAH, July 26, (Agencies): Saudi Arabia's King Fahd, speaking at the Muslim pilgrimage drew to a peaceful close, warned Iran today that his kingdom would hit back if attacked and called on young Saudis to join the armed forces.

"If Iran, or anyone else, thinks that Saudi Arabia is unable to defend itself, then it is mistaken," he told military and security officers in a speech.

"We will not be an aggressive country, but will not permit an inch of land to be attacked," he said in the speech in the holy city of Makkah.

Defended

He also strongly defended his country's arms deal with China and told Washington that Riyadh would seek arms elsewhere if it was denied American weapons.

Diplomats in the kingdom said despite its tough tone, the address left room for possible improvement of relations with Iran. Saudi Arabia cut ties with Iran in April, citing its "hostile attitude."



King Fahd

"We do not want to have problems with Iran or any other country, and we hope that Iran will come to a complete end," the king said.

"We and Iran are in need of stability, they more than us," he added.

Today is the final day of the annual pilgrimage, or haj, that brought nearly 1.4 million pilgrims to Makkah. But many will travel to Madinah over the next few days to pray at the Prophet's Mosque.

Diplomats and pilgrims contacted by telephone said the ceremonies passed peacefully.

The monarch stressed that the kingdom would not allow any state "to exploit certain circumstances" for its own purposes.

Speaking of the Iranian-instigated riots during the haj last year King Fahd charged that Iran had in recent years "transformed the Islamic faith into political concepts."

He added that many Muslim scholars had condemned the Iranian trend which "deviates" from the Islamic teachings as explained in the Holy Quran and the traditions of Prophet Mohammed (PBUH).

He spoke of "Iran's excesses,"

the pilgrimage in protest.

"We have borne a lot... because of one thing — we were saying 'maybe the other side will understand logic'," King Fahd said.

"Those who know Iran or have seen a map realise it is a country that could be richer than others if it wanted to be... it has oil, minerals, rivers, agricultural land and an able-bodied population."

Victories

"So what does it want from the Gulf Arab countries, especially Iraq?" he asked.

The king bailed Iraq's recent war victories, which diplomats say played a major part in forcing Iran to accept a UN ceasefire resolution last week.

"It is fortunate that Iraq has recovered its lands by force and that Iraq's military capabilities can now bring honour to the Arab nation and the Iraqi people," the Saudi monarch said.

"Saudi Arabia... has tried the impossible to reach a solution, and the solution is to avoid their (Iranian) civil," he added.

The king said Riyadh was not (Continued on Page 4)



Lt. Gen. Martin Vadset (left) is welcomed by Deputy Commander of Iranian Army, Brig. Gen. Jamali at Tehran airport yesterday. (Reuters wirephoto)

UN chief holds talks with Velayati on Gulf truce

UNITED NATIONS, July 26, (Agencies): Iranian Foreign Minister Ali Akbar Velayati said today that his first round of talks with Secretary-General Javier Perez de Cuellar about a Gulf truce were "very constructive and fruitful."

He told reporters after the session, which lasted almost two hours, that there would be a further meeting later in the day.

Velayati said he had had "a very frank and sincere exchange of views," but gave no details.

A UN spokesman said that Perez de Cuellar would not be making any substantive statement on the talks until they were completed.

He is due to meet Iraqi Foreign Minister Tariq Aziz tomorrow.

Initially the talks will take place separately between the secretary-general and the visiting ministers, but officials have not ruled out the possibility of direct exchanges later on.

Direct

Iraq has asked for direct talks, but was rebuffed by Iran, which said the time was not ripe for that.

After conferring with Velayati today, Paulo Nogueira-Batista of Brazil, the president of the Security Council, told reporters: "Our understanding is that at some point there will be some direct talks. It is indispensable that to conclude the process the two parties must talk to each other."

Asked about the fighting that has continued since Iran accepted eight days after the Security Council's ceasefire Resolution 598, Nogueira-Batista said it was expected that this would be reduced to the minimum possible.

"If not, this might hamper the political climate that would be conducive to progress in the negotiations," he said.

Earlier, a UN spokesman said the president impressed upon Velayati that the Security Council was firmly behind Perez de Cuellar's peace efforts, urged restraint on the ground and again condemned the use of chemical weapons in the conflict.

Perez de Cuellar said yesterday that talks would not begin until tomorrow, but it was announced that he had decided to advance the start by 24 hours because of the urgency of the matter.

Hoped

Asked how long the talks would continue, the secretary-general said: "As long as necessary... I hope one week. I think one week would be indispensable in order to clear up things."

He said yesterday he hoped to be able to announce a date for a ceasefire in about 10 days, after completing his meetings with Velayati and Aziz and receiving a report from a team of UN military experts sent to Iran and Iraq to work out the logistics of the truce.

The UN team arrived in Tehran to work out the military details of a ceasefire.

The UN team leader Lt. Gen. Martin Vadset he would explore ways to implement and maintain a truce, Iran's Islamic Republic News Agency reported.

The agency said the seven (Continued on Page 2)

Angry women

BOMBAY, July 26, (Reuters): Indian troops today fired shots to disperse angry women trying to storm a police station in support of disgruntled policemen in western Gujarat state, police officials said.

They said the women were relatives of policemen and had tried to storm a police station in Ahmedabad, the state's biggest city.

Opposition unites to topple Rajiv

NEW DELHI, July 26, (Reuters): India's four main centrist opposition groups today announced they would merge to form a single party in a bid to topple Prime Minister Rajiv Gandhi.

Rajiv's former Defence Minister, Vishwanath Pratap Singh, widely expected to head the new party, told reporters merger formalities would be completed by Indian Independence Day on Aug. 15.

The announcement comes the day before Parliament opens after a two-month summer recess.

The announcement ends weeks of speculation about moves to unite India's normally fragmented opposition.

The speculation reached a peak last month when Singh, backed by a broad spectrum of opposition parties, won a prestigious by-election in Allahabad, the Rajiv family home.

Singh, forced to resign from Rajiv's cabinet after he accused officials of taking bribes, based his by-election campaign on allegations of government corruption.

In a statement to reporters last night, Singh said the new party "would spare no efforts to become the instrument of social, economic and political change."

He said the people of India were "groaning under the corrupt and authoritarian rule" of Rajiv's Congress (I) Party.

"The (new) party will mobilise the masses into action to resist injustice in all its forms and to enable people's power to effectively assert itself," the statement said.

Besides Singh's Jan Morcha (people's front), the new alliance will include the Janata party which ruled India for two years from 1977 and the Lok Dal party.

The fourth and smallest member of the alliance is the Congress (S) which split from the ruling party in the 1970s.

The move means Parliament opens with Rajiv facing a united opposition for the first time since he took office in 1984.

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Rebel forces push deep into Iran

BAGHDAD, July 26, (AP): Iranian rebels said today their forces plunged about 100 kilometres (60 miles) into Iran and Tehran Radio announced Iran's troops were killing hundreds of "counter-revolutionary elements."

The fighting raged as Iraq said it was withdrawing its troops from Iranian territory.

The General Command of the Iraqi-backed Iranian rebels, known as the National Liberation Army or Mujahadeen-e-Khalq, said its troops were advancing on the provincial capital of Bakhtaran.

"National Liberation Army forces have liberated hundreds of villages," claimed spokesman Ali Riza Jafar Zada.

He said the rebel attack, code-named "Eternal Light," began at 3 am (2300 GMT Monday) and the troops had overrun the cities of Karand, 70 kilometres (48 miles) inside Iran, and Esfahabad, 30 kilometres further.

Destroyed

The NLA spokesman also claimed that rebel forces destroyed the 27th Revolutionary Guards Corps Division and captured its garrison on road between Esfahabad and Bakhtaran, about 150 kilometres (95 miles) east of Iraq's central border.

Iran admitted the invasion, initially blaming Iraq, but said its troops had retaken the city and killed 1,100 rebel fighters.

A spokesman for the NLA said the Iranian claim was "a falsehood" and the NLA was still in control of the town.

Iraq "made use of counter-revolutionary mercenaries to infiltrate the population and to martyr the heroic men and women there," Tehran Radio said, referring to the NLA's attacks.

"Intense fighting is continuing between the forces of Islam and counter-revolutionary elements," said the radio.

Iraq, meanwhile, announced it was pulling back from all Iranian territory it occupied last week in the wake of Iran's acceptance of the UN ceasefire resolution.

A military spokesman, not named by the state-run television, said his country's forces had pulled back from the Iranian towns of Gilan-e-Gharb and Salehabad before noon.

Missions

At the same time, the Iraqi war communique issued late today said that Iraqi fighter jets and helicopter gunships flew 353 combat missions against Iranian forces all along the 733-mile (1,180-kilometre) border.

Information Minister Latif Nussayif Jassim said Iraqi forces would complete the withdrawal after ensuring safety for their troops.

Iraqi officials said earlier that their invasions on the central and southern fronts were aimed at smashing Iran's weakened war machine and at taking prisoners, apparently to equalise the numbers for exchange under a ceasefire.

Pounded

Iran said its forces killed "at least" 1,500 Iraqi soldiers in overnight fighting to retake the border city of Salehabad, according to a dispatch today from the Islamic Republic News Agency.

IRNA also said Iranian jet-fighters heavily pounded Iraqi strongholds along the western and southern fronts in 10 sorties and that Iranian forces repelled an attack on the central city of Mehran.

It also said that the Iraqis had used chemical weapons in an attack east of the southwestern provincial capital of Ahvaz.

Iran's President, Ali Khamenei, told troops at the front that Iraq had "blundered" in launching its latest cross-border attacks and had failed to assess Iran's strength, IRNA reported.

No ties with Iran now, says Walters

NEW YORK, July 26, (Agencies): The United States will not resume diplomatic relations with Iran until the hostages being held in Lebanon are released, the US Ambassador to the United Nations, Vernon Walters, said today.

Walters said in a television interview that having accepted a UN ceasefire resolution, Iran and Iraq could work out a truce in their eight-year-old war in two months.

But he said the recent statements by President Reagan and Deputy Secretary of State John Whitehead did not mean the United States was making overtures to Iran.

"There is no question the people who are holding the hostages have some kind of allegiance or connection with Iran. It would be difficult for us to justify anything unless they release the hostages," he said.

Willing

Reagan suggested yesterday that he was ready for talks with Iran on the release of American hostages held by pro-Iranian groups in Lebanon.

"If they're (Iran) willing and ready to talk, it's time," Reagan said in response to a reporter's shouted question at a White House Rose Garden ceremony.

Whitehead said on television on Sunday that Washington would welcome talks with legitimate Iranian representatives.

Asked what steps the United States was willing to take to renew ties with Iran, Walters said, "Iran is the one who broke relations with us."

"I mean, they stormed our embassy and took all our staff there hostage. We're not the ones they're the ones. They've got to indicate that they want to have diplomatic relations with us and then there will be conditions they have to fill."

He said one of the conditions was the question of damage done to the US Embassy.

Message

A US official noted earlier yesterday that the United States had sent a new message to Iran last week asking about the possibility of talks aimed at normalising relations. Tehran still has not replied, the official said.

The official, who asked not to be identified, said the United States would like to talk to the Iranians about ending the Gulf war, the American hostages in Lebanon and terrorism. But he said the US message did not specify conditions for a resumption of relations, which were severed in 1980.

White House spokesman Martin Fitzwater told reporters that US policy on the hostages had not changed.

"We're always available to talk anytime or anywhere about the safety or release of the hostages but we will not negotiate for them," he said.

Assets

Iran's military chief said today Tehran might help release American hostages in Lebanon if Washington released frozen Iranian assets.

Ali Akbar Hashemi Rafsanjani said on Iranian television the United States should give up its hostile attitude towards Iran before the two countries could talk.

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اخبار و مقالات

- شاه قباد ایران کو استقامت
- ایران اور عراق میں
- گھسان کی لڑائی
- بھارتی پولیٹیشن جماعتوں
- کا اتحاد
- اقوام متحدہ میں فائر بندی پر
- ذرا کرات
- تینوں کابینہ میں وسیع
- روڈ بدل
- پاکستان کی صورتحال پر
- تیسرا دورہ سفیات

WEATHER

TEMPERATURE remains around normal with light to moderate northerly to north-easterly wind.

State of sea: slight

High water: 9.00 am, 11.00 pm

Low water: 3.00 am, 5.00 pm

Sunrise: 5.05 am

Sunset: 6.43 pm

Maximum temperature recorded: Kuwait: 46°C 115°F

Ahmad: 43°C 109°F

Fallaka: 41°C 106°F

Minimum temperature recorded: Kuwait: 29°C 84°F

Ahmad: 27°C 81°F

Fallaka: 24°C 75°F

Maximum humidity expected: Kuwait: 46% 115%

Ahmad: 43% 109%

Fallaka: 41% 106%

Minimum humidity recorded: Kuwait: 24% 75%

Ahmad: 23% 73%

Fallaka: 20% 68%

Belgian diplomat wounded

US airman killed in Philippines

MANILA, July 26, (Agencies): A US airman was killed, and a Belgian diplomat wounded and his companion murdered in separate incidents in the Philippines in the past two days, officials said today.

Officials said unidentified gunmen in a car shot dead technical Sergeant Richard Blackmer, 31, while he was jogging outside Clark Air Force Base north of Manila last night. They also killed his two German shepherd dogs.

Robbery

They said Benoit Standaert, 34, a Third Secretary at the Belgian embassy, was wounded and his Filipina companion, Doris Capistrano, killed in an apparent robbery on Sunday at a tourist spot south of the capital.

President Corason Aquino, speaking to the Philippine Congress yesterday, warned against the country's "slide into criminal anarchy."

Intolerable

"From armed robbery to car-napping (car theft), our citizens live in intolerable uncertainty about the safety of their families and their properties," she said in an address delivered before news of the killings was made public.

Blackmer, from Brook Park, Ohio, was assigned to a communications unit at Clark.

Clark Air Base spokeswoman Maryellen Jadick said the gunman who killed Blackmer were most likely common criminals and not communist rebels operating in the area.

Local police in Angeles, a liberty city 50 miles (80 km) north of Manila, said there was strong

Dubai ruler refuses to be fingerprinted

SHAKOPEE, Minnesota, July 26, (AP): The ruler of Dubai, Sheikh Rashid Bin Saeed Al Maktoum, may never again race his thoroughbreds at Canterbury Downs due to a Minnesota law that runs counter to his religious beliefs.

Phil Scott, who represents the Sheikh's farms in Lexington wrote to the Minnesota Racing Commission that the ruler's religion does not allow him to be fingerprinted.

Thus the ruler of Dubai, one of the seven United Arab Emirates is being denied a Minnesota Owner's Licence.

Sheikh Rashid has run into a regulation that requires a person to be fingerprinted to obtain an owner's licence. He is a Muslim and he recently informed Minnesota Racing Commission officials that his religion prevents him from being fingerprinted.

The Sheikh raced only once at Canterbury Downs and came up a winner. His filly, Balbonella, won the \$150,000 Lady Canterbury handicap on May 29.

Sneezing stopped at last

CLEMSON, South Carolina, July 26, (UPI): Doctors have apparently found a cure for persistent sneezing fits that left a man wondering if he might be allergic to sex.

About a minute after love to his wife, the man would have a fit of four or five sneezes, his doctor said.

Dr William H. Hunter, a family doctor in this small university city, said yesterday a case involving a 60-year-old man was the most unusual.

Dr Jeffrey A. Wald of San Diego, California, immediately recognised the problem and responded to Hunter's plea for assistance.

Wald recommended a nasal spray for the sneezing. Hunter said his patient tried the spray and it seems to be working.

Release of 52 Americans held hostage by Iran

Reagan ally sought delay: Abu Sharif

CHICAGO, July 26, (AP): Representatives of both former President Jimmy Carter and President Reagan met with the PLO in 1980 to try influencing the fate of 52 Americans then held hostage in Iran, PLO officials said.

In an interview in the September issue of Playboy magazine, two high-ranking PLO officials contend that Carter wanted the release of the hostages expedited, while Reagan's representative wanted it delayed until after the November election.

In the interview, PLO chairman Yasser Arafat said he had been instrumental in helping thousands of Americans escape from Beirut in 1976 and 1977, and also in winning release for some of the hostages in 1980.

"We released the first hostages from the embassy, the first 13 embassy personnel," Arafat said. "They were released according to my personal efforts."

Arafat said he undertook the mission at the request of Carter.

"There was a special and permanent contact between me and President Carter," Arafat said. "I have written documents from President Carter himself. And I dealt with Ambassador (Lan-drum) Bolling. You can discuss this with President Carter and his former ambassador in Beirut."

Arafat said that although he had a letter of thanks from former Secretary of State Henry Kissinger for his help in 1976 and 1977, the US government has never acknowledged his alleged

role in the 1980 hostage crisis.

"This is the shameful treatment of us by the American administrators. I am sorry to say," the PLO chairman said.

While Arafat maintained that the Carter administration used the PLO to speed the hostage release, Arafat's chief adviser, Basam Abu Sharif, said in the same interview that a member of Reagan's 1980 campaign staff asked the PLO to help stall the release.

Reagan's supporters in 1980 made much of Carter's failure to obtain the early release of the hostages.

Minutes after Reagan's inauguration on Jan. 20, 1981, marked the end of the Carter administration, the 52 Americans who had been held hostage in Tehran for 444 days were flown to freedom.

"We were told that if the hostages were held, the PLO would be given recognition... and the (Continued on Page 2)

INTERNATIONAL

Israeli troops stay away

Hundreds demonstrate in W. Bank

OCCUPIED JERUSALEM, July 26, (UPI): Soldiers stayed away from the occupied West Bank town of Beit Jala today while hundreds of Palestinians — some raising the outlawed PLO flag — marched to protest the death of a resident by an Army gunfire.

"With spirit and blood, we will redeem the martyr," the marchers chanted as they paraded back and forth near the home of Jirjis Kuncar, 40.

Kuncar was shot and killed Sunday when soldiers opened fire on demonstrators. Beit Jala residents say Kuncar was not involved in the demonstration and had just been passing by on his way home.

About a half dozen teenagers, their faces covered in traditional Arab kaffiyehs, road atop the shoulders of other youths, thrusting the outlawed green, red, black and white Palestinian flag into the air.

Mayor Farah Araj said he asked Israeli authorities to keep the Army "as far as possible away" from Beit Jala while residents demonstrated and

friends visited the mourners. Araj and the military reported on violence.

In Hebron, south of Beit Jala, security forces closed off a section of town after a homemade explosive device blew up, an Army spokesman said. No injuries were reported.

In the occupied Gaza Strip, sporadic violence erupted overnight and early today in Gaza city, Deir Al Balah town and at least three UN-run refugee camps, Palestinian sources said. Palestinians raised their outlawed flag and erected flaming tyre barricades in El Bureij camp and set stone barricades in Beit Al Balah.

Injured

Late last night, residents of beach refugee camp closed off an entrance to their camp with stones and barbed wire. Soldiers fired tear-gas, rubber bullets and live ammunition, wounding at least three Palestinians, the sources said.

The military clamped a curfew on Jabalia refugee camp, where rioting erupted Monday, forcing an estimated 50,000 residents to

stay indoors. Curfews also were imposed on at least six other towns and refugee camps in the occupied territories.

The violence erupted after Israel released nearly 150 Gazans from a desert military detention centre.

The Palestinians, freed Monday as a goodwill gesture on the Muslim festival of Eid Al Adha, were greeted with kisses on their return home. They told of poor food, lack of medicine and collective punishment at the prison.

Punishment

"I can give a name for our prison," said a 20-year-old Gaza city resident released Monday after four months in administrative detention. "I can call it the death prison. They used collective punishment. The way they took us in the middle of the day to sit outside our tents to sit under the sun. It was very, very hot."

The Palestinian was among 148 Gazans released from Ketziot detention centre in the Negev desert as a goodwill gesture by Israel for the Muslim four-day celebration of Eid Al

Adha. Several hundred imprisoned Palestinians were released earlier this year on Eid Al Fitr.

On a recent tour for foreign correspondents, an Army spokesman said conditions at Ketziot, near the Egyptian border, were similar to or better than those experienced by soldiers in the field.

But several of those released said food was poor, medicine was lacking and family visits were few. No deaths have been reported at the newly built detention centre.

Families and friends gathered at the homes of those released, kissing one another and shaking hands, to celebrate their freedom.

Under emergency security regulations governing the occupied West Bank and Gaza Strip, the military may hold someone for up to six months at a time without charge or trial.

Military sources told the Jerusalem Post that an estimated 4,000 Palestinians are in military detention centres in the West Bank and the Ketziot detention centre in the Negev.



A police officer sits among the 15 tonnes of hashish seized in a tunnel overlooking an inlet in northern Spain's Costa Brava. Police estimated the street value of the drugs at up to \$70 million. (Reuter wirephoto)

British, Spanish police bust big drugs ring

LONDON, July 26, (Reuters): British police said today they arrested four people in connection with one of the world's biggest marijuana smuggling rings whose suspected head once worked for British intelligence.

A police spokesman said the action was related to the arrest of three Britons on Monday by police on Spain's Mediterranean island of Majorca. Among those detained, according to Spanish Radio, was Dennis Howard Marks, the ring's alleged leader.

In Miami, US drug enforcement officials, named Marks, 43, in a federal indictment citing 22 people altogether.

A police spokesman in London said the arrests of the four people in Britain were made in co-operation with US authorities, customs officials and other international agencies.

The four were due to be charged, he said, and US authorities were seeking their extradition. None has yet been identified.

A spokesman for the US Drug Enforcement Administration's (DEA) Miami office said the operation had dismantled one of the world's largest marijuana and hashish organisations.

The DEA spokesman said Marks was already a fugitive from justice in the United States. He jumped bail in Nevada in 1976 while awaiting trial on drug-related charges.

All three people arrested in Majorca — Marks, his wife Judith and Briton Geoffrey Kenion — were being held at the Spanish Mediterranean island's headquarters.

In Barcelona on Monday, Spanish police said they had arrested six people after seizing 15 tonnes of hashish hidden in a tunnel overlooking an inlet in the

Costa Brava. It was not immediately clear whether the arrests were linked with those in Majorca.

The US indictment said Marks headed an international drug smuggling ring that spanned 14 countries from Thailand and Hong Kong to Britain and West Germany.

Marks was cleared by a London court in 1981 of smuggling 15 tonnes of cannabis worth £20 million (\$34 million) found on the Hebrides islands in Scotland. Evidence was presented at his trial that he had briefly worked for Britain's MI6 secret service.

Those held in Barcelona — two Corsicans, a Portuguese and three Spaniards — were suspected of organising a drug syndicate which stored hashish shipped from Lebanon and Morocco before smuggling it to northern Europe.

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Ben Ali reshuffles cabinet

TUNIS, July 26, (Reuters): President Zine El Abidine Ben Ali changed nearly half his cabinet today, ousting most remaining figures who had served under Habib Bourguiba.

In his biggest ministerial shake-up since taking power from Bourguiba in November, Ben Ali sacked seven ministers who had held government posts under the former president-for-life, according to a list published by the official TAP news agency.

Foreign Minister Mahmoud Mestiri and Minister of State (senior minister) for Justice Slaheddine Baly were among key ministers to lose their jobs, leaving Prime Minister Hedi Baccouche as the most prominent cabinet member to have held high office under Bourguiba.

Ben Ali also appointed the first minister from outside the ruling Constitutional Democratic Assembly putting Saadaddin Zmerli in charge of the Health Ministry.

Zmerli is a surgeon, the president of the Human Rights League and has had close links with the largest recognised opposition grouping, the Movement of Socialist Democrats.

Mellor shifted from Foreign Office

LONDON, July 26, (Agencies): As David Mellor took up his new post today as the Minister of State for Health, the pro-Arab lobby in the UK regretted his departure from the Foreign Office in a surprise cabinet reshuffle announced last night.

Many observers noted that he was the subject of widespread criticism from the Jewish lobby in the UK after his fierce public attacks on the conduct of the Israeli government.

Mellor's job at the Foreign Office is taken by William Waldegrave who was Housing Minister in the environment department.

A reshuffle had not been expected until the autumn. But speculation over possible top cabinet changes, including the removal of Chancellor of the Exchequer Nigel Lawson, appeared to have prompted action to end uncertainty.

Former Department of Health and Social Security (DHSS) Minister John Moore, once tipped as a possible successor to Thatcher, was left in control of social security.

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Dukakis turns to state issues

WASHINGTON, July 26, (AP): Democratic presidential nominee Michael Dukakis was taking some heat at home over veto decisions as running mate Lloyd Bentsen tended to tax-writing chores.

Meanwhile, Vice-President George Bush, the certain Republican nominee, tried to distance himself from the ethics problems at the White House.

Key political deliberations were also going on at the White House as President Ronald Reagan consults with Republican congressional leaders on his threat to veto legislation requiring companies to give workers 60 days' notice of plant closings and layoffs. The Democrats have made the plant-closing measure a campaign issue.

Dukakis, carrying out his duties as Massachusetts Governor while campaigning for President, was spending most of Tuesday at his statehouse office.

He faces legislative unrest over some of the \$1.38 billion in spending he vetoed from the state's fiscal 1989 budget. But he was upbeat last night after a meeting with the administration's top budget officer and house speaker George Keverian, declaring "all is well."

Dukakis planned to break for a law-and-order appearance in Boston, visiting a new police post at a downtown subway stop to swear in six new members of the transit police.

He met for an hour on Monday with Hungarian Prime Minister Karoly Grosz before the

communist leader headed to Washington to meet Reagan.

Bentsen returns to his duties as chairman of the finance committee today, when the panel begins writing a bill to correct errors and make changes in the 1986 tax overhaul.

Bush said in advance of a speech to congressional interns that he would propose a new ethics code containing "high standards" to prevent conflicts of interest for all federal officials, including members of Congress.

He said he also would strengthen the office of government ethics by putting it in the White House.

The speech comes less than a week after Democrats used their convention to bash the White House on the ethics issue.

Death toll in India's epidemic exceeds 150

NEW DELHI, July 26, (AP): A widening epidemic of water-borne diseases in the capital claimed 14 more lives today and raised the death toll to more than 150, a city health official said.

The official, who spoke on condition of anonymity, said at least 317 people suffering from gastro-enteritis and cholera were admitted to city hospitals today.

Prime Minister Rajiv Gandhi last week visited slums on the eastern edge of the city, where most of the cases have been reported, and ordered city officials to clear the area of piles of rubbish within three days.

Garbage in the areas had not been cleared for more than three months because of a disagreement between two city agencies over which was responsible.

Rajiv's deadline expired yesterday, but the Indian Express newspaper reported today that the slums "still looked like cesspools."

City officials blame the outbreak of diseases on the contamination of wells by overflowing sewers. They also blame the contamination on rainfall from the annual monsoons washing through uncollected garbage.

The monsoon rains began in New Delhi in the last week of June.

The rains also have claimed 258 lives throughout the country in floods and the collapse of mud houses. Three deaths were reported from the northern state of Rajasthan today, the Press Trust of India said.

Hamadi trial resumes

FRANKFURT, July 26, (AP): Mohammed Ali Hamadi, charged with murder and air piracy in the June 1985 TWA hijacking, sent a postcard from Greece one day before the Athens-to-Rome flight was seized, according to evidence introduced in court today.

The postcard was dated June 13, 1985 and was sent to the brother of Hamadi's West German girlfriend.

TWA flight 847 was hijacked on June 14, 1985 and diverted to Beirut, Lebanon. A US Navy diver was shot and killed by the hijackers and 39 Americans were held hostage for 17 days.

Later today, the former West German wife of Hamadi's older brother testified that Mohammed Hamadi had made a telephone call to his brother from Iran in August 1985.

In testimony earlier this month, Mohammed Hamadi said that he had visited pilgrimage sites in Iran, possibly in 1985, although he could not remember the exact dates. In addition, a federal police investigator had testified that Hamadi admitted being a member of the pro-Iranian Hezbollah.

Reagan hopes Lebanese polls will end civil war

BEIRUT, July 26, (AP): President Ronald Reagan expressed hope in a telegram today that the forthcoming presidential elections in Lebanon would end the nation's civil war.

"The upcoming presidential elections will be an essential opportunity to consolidate national entente among the Lebanese to recover their prosperity and happiness," Reagan said in the telegram to acting Prime Minister Salim Al Hoss.

The Premier's office released excerpts from Reagan's message saying it was sent on the occasion of the Eid Al Adha feast.

In the message Reagan reasserted his support for efforts by the Lebanese to reunite their war-torn country and restate the authority of their central government.

That authority has been eroded by 13 years of civil war.

The war has claimed the lives of more than 150,000 people and shattered the nation's once booming economy.

Syria maintains an estimated 40,000 troops in northern and eastern Lebanon as well as in West Beirut.

Israel also occupies a border enclave in south Lebanon proclaiming it a security zone to try to stop cross-border commando raids into northern Israel.

The new Lebanese president will be elected by parliament before Sept 23, when President Amin Gemayel completes his six-year term in office. Under the constitution he cannot seek reelection.

Parliament speaker Hussein Al Hussein says he will begin consultations with various parliament blocs after the Eid Al Adha feast Thursday to set a date for a presidential election session.

There are more than a dozen presidential hopefuls although only a few have announced their candidacy so far.

Kremlin envoy to ensure calm in Nagorno-Karabakh

MOSCOW, July 26, (Reuters): A Kremlin envoy was due to arrive in the disputed Azerbaijani enclave of Nagorno-Karabakh to consolidate Moscow's apparent success in restoring order to the region after several months of strikes and unrest.

A Communist Party official in Nagorno-Karabakh's capital, Stepanakert, said Arkady Volsky would arrive during the day following his appointment to oversee Moscow's decisions on ensuring calm in Transcaucasia in the south of the Soviet Union.

Volsky is a senior member of the Communist Party's policy-making central committee.

The official told Reuters that factories and public transport were working normally in the city for a second day after a month-long general strike.

"Everything is calm and quiet," he said.

Volsky's appointment, reported today by the party daily Pravda, followed last week's ruling by the Soviet Union's top state body that Nagorno-Karabakh could not be transferred from the Republic of Azerbaijan to neighbouring Armenia.

Residents in the enclave had staged the strikes to press for the transfer, resisted by Azerbaijani authorities.

Seventy-five per cent of Nagorno-Karabakh's residents are ethnic Armenians, but the area has been administered by Azerbaijan since 1923.

Pravda said Volsky's mandate was to "organise and co-ordinate the work of party, government and economic bodies" in Armenia and Azerbaijan.

It said the aim was to ensure full implementation of the July 18 ruling of the Presidium of the Supreme Soviet, guaranteeing the affiliation of Nagorno-Karabakh to Azerbaijan. The authorities also announced a crackdown on strikers.

Pravda said Volsky had been granted "appropriate powers" and called on local authorities to provide him with "all kinds of help and assistance."

In the Armenian capital, Yerevan, where hundreds of thousands of people had been attending protest rallies over Nagorno-Karabakh, an editor at the local news agency Armenpress said the city was working normally.

"It's so quiet and peaceful we can scarcely believe it ourselves," he told Reuters. He said all shops were open and there had been no meetings or rallies since last week.

Cypriot government told

NICOSIA, July 26, (Reuters): Philippine Ambassador Juan Saez said today he raised problems encountered by Filipinos working in Cyprus in talks with President George Vassiliou and other officials.

Saez, who is also accredited to Lebanon and Jordan, said after presenting his credentials to Vassiliou the Cypriot government's attitude to foreign workers was positive.

"They don't want them to be exploited," Saez said.

But he said that, depending on the outcome of talks with the Minister of Labour and other officials here, he might suggest his government ban young Filipino women from travelling to the island and Lebanon as entertainers.

Dance

Saez said he had information that in most cases women entertainers in Cyprus were forced to dance in cabarets, though they were not told this when they were recruited.

He also said he believed some were forced into prostitution.

Filipino workers face problems

"I will consider recommending that their passports be stamped 'not valid for employment as entertainers in Cyprus and Lebanon' pending the results of the discussions," he said.

Diplomatic sources said maltreatment of foreign women was widespread in the Middle East. They said human rights groups looked after their interests in Europe but there was little such assistance in the Middle East, where embassies and religious orders tried to help.

Cabaret workers said foreign women in Cyprus made about \$40 a night, worked seven nights a week and performed topless in some nightclubs and bars.

"To sit with customers, they drink beer at \$27 a bottle, of which they get about a dollar," one worker said. "They can be bought out of the bar for a bottle of champagne, filled with a soft drink, costing around \$120."

Some women said they sent money home to help their families or saved it for their own education or to open small businesses.

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And now

Ispat Profiles India Limited



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INTERNATIONAL

Afghan rebels pound Kabul with rockets

ISLAMABAD, July 26. (Reuters): Afghan guerrillas pounded Kabul with 170 rockets last week, including 60 in one day, and scored a direct hit on the French Embassy, a Western diplomat said today.

Nobody was seriously hurt when the rocket hit the embassy last Saturday in what the diplomat said was one of the heaviest bombardments in many months. Another rocket narrowly missed the US Embassy.

Around 60 rockets were fired into the city during the day on Saturday, apparently aimed at Afghan government buildings, said the Islamabad-based diplomat quoting reports from Kabul.

He had no information about Afghan casualties in the city, but on Monday the Soviet news agency Tass reported that 18 people had been killed in rebel rocket attacks in the previous two days.

Since Soviet troops began withdrawing from Afghanistan in May, 154 people had been

killed and 205 injured in rebel rocket, mortar and bomb attacks on the capital, said Tass.

The French Embassy is clustered with a number of other missions in the Shahre Naw district of central Kabul just next to the presidential palace complex and near several government buildings.

Kabul has become the target of increasing rocket attacks since the beginning of July, with the most recent being fired in salvos of up to 10 at a time.

Western diplomats have reported a steady increase of pressure around Kabul over the past month from the mujahideen guerrillas fighting to topple the Soviet-backed government of President Najibullah.

Last week they said there was fierce fighting at Paghman, 20 km west of Kabul and in several areas south of the capital where rebels are denying the government control of even the major roads.

However, the Soviet Union hotly denied a charge by Pakis-

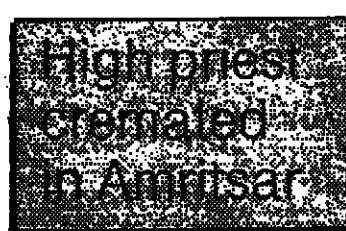
tan President Mohammad Zia-ul-Haq at the weekend that Moscow had reversed its withdrawal from Afghanistan and sent up to 12,000 troops back because Kabul was under threat.

Zia said he had no independent confirmation of the charges, but told reporters the information had come from the United Nations, which is charged with monitoring the Geneva accords.

In New Delhi today, Lieutenant Colonel Yuri Kornilov, military attaché at the Soviet Embassy, told a news conference Zia's statement was "absolutely false and baseless."

"Even in the United States they believe our good intentions in Afghanistan," he added, referring to the State Department on Monday saying: "We have no indications that the Soviets have reintroduced troops."

Since Zia's accusation on Saturday, diplomatic sources in Islamabad have played down the guerrilla threat to Kabul, saying Soviet and government defences appeared secure.



High priest cremated in Amritsar

AMRITSAR, July 26. (Reuters): Sikh high priest Sohan Singh, assassinated by suspected separatists of his own faith, was cremated today.

Singh, the first high priest to be killed in the long and bloody separatist campaign, was cremated alongside a senior religious administrator shot down with him on Monday in Ludhiana, in the north Indian state of Punjab.

All Sikh religious institutions and nearly all the political parties of Punjab were represented at the cremation of Singh, one of the five high priests of the Sikh faith.

Thousands of people watched as Singh's body was borne through the streets of Amritsar, the Sikh holy city, to the Golden Temple, the faith's holiest shrine.

The body of administrator Bhan Singh was brought to the Golden Temple from a different direction. Members of the two corteges prayed at the holy shrine before taking the bodies to the cremation ground.

Police officials said they believed the high priest was killed by separatists who thought he collaborated with the Indian government by helping restart religious rituals after a 10-day siege of separatists in the Golden Temple in May.

They said if other senior Golden Temple officials had not been late for the Ludhiana meeting which Sohan Singh was to attend, the death toll would have been much higher.

Disagreement over compensation

Manila suspends US bases talks

MANILA, July 26. (Agencies): Philippine officials broke off talks today on the future of the two American bases in the country after sharp disagreements over payments but a US official described the suspension as only a "temporary break."

"There was substantial disagreement on the compensation issue as a result of which the Philippine panel moved for the suspension of the talks," Philippine officials said in a statement issued after a two-hour round of talks.

Mary Carlin Yates, a spokeswoman at the US Embassy, said: "As has happened several times in the past, there has been a temporary break in the talks. We expect to resume the talks shortly and we do not consider the talks suspended."

Such temporary breaks occur from time to time, particularly when one side needs time to consider a proposal from the other," Yates said.

Diplomats close to the talks said American negotiators had presented a fresh proposal which the Philippine side had said it would consider.

Amount

"The amount offered by the Americans was far below what we were demanding," said Leonides Caday, a member of the Philippine panel. He added that the suspension would be indefinite, but declined to elaborate.

"I don't see the point in continuing these talks," Juanita

Amalongo, another Philippine panel member, quoted Foreign Secretary Raul Manglapus as telling US Ambassador Nicholas Platt before the talks broke off.

On Monday, Manglapus said that the two panels were nearing agreement but that they may not complete the negotiations by the month-end deadline.

The joint statement said only that "there was substantial disagreement on the compensation issue, as a result of which the (Philippine) panel moved for the suspension of the talks."

The current talks are held every five years to review terms of the 1947 agreement allowing the United States to keep Clark Air Base, Subic Bay Naval base and four smaller installations.

Increase

The Manila government is pressing for an increase in the \$180 million Washington pays for use of the bases. Before the talks began, Manglapus said a figure of \$1.2 billion annually would be "more realistic."

The talks do not directly affect the status of the bases after 1991, when the agreement expires. But a successful review is expected to influence Manila's decision on whether to extend the agreement beyond 1991.

President Corason Aquino says she will honour the current agreement but refuses to say whether she will support an extension after 1991.

Under the new constitution,

any extension must be in the form of a treaty ratified by the 23 member Senate, where opposition to the bases is currently strong.

Last month, the Senate approved a bill banning nuclear weapons from Philippine territory, a move which Washington opposes. Similar legislation is pending in the House of Representatives.

Meanwhile, the outlawed National Democratic Front urged Filipinos to reject any new move to negotiate an extension of the US bases here beyond 1991.

Sell-out

In a statement distributed to news agencies, the front accused Mrs Aquino of manoeuvring for "an impending sell-out of our national sovereignty and interests," saying she already has made up her mind to allow the bases to remain after 1991.

The front is an umbrella organisation of 12 Marxist groups, including the Communist Party of the Philippines and its armed wing, the New People's Army.

In a related development, Philippine soldiers dispersed a group of 30 leftist student demonstrators today when the unruly group began painting anti-US graffiti on the walls of the Senate. The demonstrators were demanding the ouster of the bases.

One student was arrested but denied she was with the demonstrators. No one was injured in the incident.

Israeli team leaves for Soviet Union

TEL AVIV, July 26. (Reuters): The first Israeli diplomats to visit the Soviet Union in 21 years set out today saying they would begin their trip by meeting Soviet Jews at a Moscow synagogue.

"First and foremost we'll have a meeting with Jews. We are arriving on Thursday. On Friday evening we will be in the synagogue for Sabbath evening prayers and this is certainly going to be very exciting," consular mission head Meron Gordon told reporters.

The five delegation members will stop over in the Hague in the Netherlands to pick up Soviet visas for a two-month stay.

The Netherlands has represented Israel in the Soviet Union since the Kremlin severed diplomatic ties in 1967.

Israeli officials regard the mission as an important step towards restoring full diplomatic relations, which Moscow says must wait until Israel agrees to convene an international Middle East peace conference.

"Like many tourists we will open our eyes and ears, find out where to buy cigarettes and where the best restaurants are. After we get acquainted we will go to see the Israeli Embassy, building in Moscow and inspect it," Gordon said.

Israel still rents the empty building that once housed its embassy.

The delegation will not be permitted to issue Israeli visas to emigrating Soviet Jews but it will review existing visa arrangements with the Dutch Embassy.

Heat wave keeps China's funeral parlours busy

BEIJING, July 26. (Reuters): Crematoriums in southern China are working overtime to cope with victims of a prolonged heat wave which has killed more than 1,300 people this summer.

A manager of Hangzhou's city funeral parlour said today none of his staff could take time off and were working double shifts in their three premises.

So far, 933 people died because of the heat in Hangzhou, capital of Zhejiang province, and the death toll was likely to exceed 1,000, he said. Most of the victims were sick and elderly people.

"It's the worst year ever," he said by telephone.

The New China News Agency said the city's normal death rate had doubled because of the heat wave which sent temperatures up to 38 degrees Centigrade (100 Fahrenheit).

Showers brought some relief to the city on Monday. According to official reports, at least 299 people have died in Nanchang, 83 in Nanjing, several scores in Shanghai and more in Wuhan because of the blistering heat.

Burma elects new party leader

RANGOON, July 26. (AP): Burma's governing Socialist Party today elected its No. 4-ranked leader — Sein Lwin — to replace Ne Win, who had wielded authoritarian power over the South-east Asian nation for 26 years.

A brief news release said the central committee of the Burma Socialist Programme Party elected the 64-year-old retired Army general as party chairman during a special session.

Sein Lwin had served as the party's joint general secretary since 1985 and also holds the government post of council of state secretary.

Ne Win asked to step down last Saturday. A special congress of the Burma Socialist Programme Party accepted his resignation and that of party vice-chairman San Yu on Monday.

The party news release said the vice-chairmanship of the party was left vacant and that Aye Ko retained the No. 3 job of general secretary. It also said that Aye Ko was not promoted to the top job.

Succeeding Sein Lwin as joint general secretary was Kyaw Htin, a member of the party's most powerful body, the central executive committee, who also has been serving as deputy prime minister and defence minister.

Elected to fill vacancies on the central executive committee were Trade Minister Khin Maung Gyi, council of state member Dr Maung Maung and Vice-Army chief Lieut. Gen. Than Shwe. All belong to the central committee.

An extraordinary party congress session ended on Monday with a vaguely worded announcement and confusion — possibly reflecting splits within the party over the dramatic events of recent days.

After the congress ended, the 1,061 delegates were suddenly summoned back — some of them from areas outside Rangoon — but were not reconvened.

A delegate, who spoke on condition of not being named, said "Ne Win" and San Yu would be retained as "inactive members" of the party.

Remove Pol Pot leadership, demand Vietnam, Phnom Penh

BOGOR, Indonesia, July 26. (Reuters): Grabbing centre stage at Kampuchean peace talks, Vietnam and Phnom Penh Premier Hun Sen have demanded an end to outside support for the Khmer Rouge and a dismantling of its guerrilla Army.

Vietnamese Foreign Minister Nguyen Co Thach, in a speech released to reporters today, said a settlement of the Kampuchean conflict could not take place without the removal of the Khmer Rouge leadership under Pol Pot and what he termed the rejection of their armed forces.

Plan

"We should try our best to make this informal meeting a good opening for the process of peace in Kampuchea, and in South-East Asia," Thach said.

Vietnam, which invaded neighbouring Kampuchea in late 1978 to oust Pol Pot's China-backed Khmer Rouge, says it was responsible for the deaths of hundreds of thousands of people during a reign of terror lasting almost four years.

Kampuchea's warring factions discussed Phnom Penh's peace plan and rival formulas to end the bloodshed in the tranquil surroundings of a former Dutch colonial mansion, outside the Indonesian capital.

The Khmer Rouge is represented at the Indonesian-sponsored talks by its president, Khieu Samphan.

Presenting his plan, Hun Sen, Prime Minister of the Vietnamese-installed government, said the Pol Pot leadership must be eliminated and there must be an end to outside help for the guerrillas, estimated at 35,000 men.

Hun Sen put forward his proposals at the opening session on Monday, the first full-scale Kampuchean peace conference since Vietnam invaded almost 10 years ago.

Indonesian Foreign Minister Ali Alatas, describing the atmosphere on Monday as good and constructive, said today's session would try to thrash out areas of difference between the four factions, divided by more than a

decade of bloodshed and enmity. Hun Sen's plan would give a central role to Prince Norodom Sihanouk, who has headed the resistance to the Vietnamese military presence in Kampuchea, and he called for an international control commission to supervise a future accord.

Rejection

But he rejected a suggestion by Sihanouk, who is not at the informal meetings, that his government be disbanded before elections are held.

"This is unacceptable," he said. "We agree to a coalition government but we should let the people decide."

Much of his plan has been made public before but there was no immediate indication of the reaction of the guerrilla alliance.

He said all agreed on the need to build an independent and non-aligned Kampuchea but there must be an end to outside help for the Khmer Rouge as Vietnam withdraws.

He envisaged the complete withdrawal of Vietnamese forces by March 1990.

Students mount anti-Prem campaign

BANGKOK, July 26. (AP): Students today stepped up a campaign today directed against Premier Tinsulanonda, who appeared likely to return as prime minister following political party lobbying.

Some 40,000 people already have signed a petition opposing a non-elected prime minister, and students planned to stage rallies daily to voice their demands, according to student leader Mana Treelavatevat.

The vice secretary general of the Students Federation of Thailand said the group's members were supporting social Action Party leader Siddhi Savetsila, who unlike Prem ran in Sunday's general elections.

The constitution does not require the prime minister be an elected member of parliament, something that has become a rallying cry for forces pressing for greater democracy.

Meanwhile, political parties intensified behind-the-scenes manoeuvring to form a new government following elections in which key partners of Prem's former coalition emerged the big winners.

South Korean rail system paralysed

SEOUL, July 26. (Reuters): South Korean rail workers went on strike today, paralysing the national railway network and stranding thousands of passengers, an official spokesman said.

Tonnes of cargo have also been stranded by the rail strike, the first ever in South Korea. The strikers, mostly train drivers, are demanding higher pay and better working conditions.

Energy Ministry officials said the strike, if prolonged would cause serious problems in the supply of oil and coal.

"We are mobilising vehicles and all available engineers to replace the striking drivers to avoid chaos," the Korea National Railroad (KNR) spokesman said.

About 1,800 railway workers decided to strike early today after the fifth round of negotiations between union leaders and railway authorities failed.

Transport Ministry officials

said more than 90 per cent of passenger trains and most good trains were idle.

Prime Minister Lee Hyun-Jae held an emergency ministerial meeting and urged the strikers to go back to their jobs, threatening to use police to break up any public disturbances.

Meeting

"It is illegal for civil servants to go on strike... and to use a public industry as a tool to press their demands," Lee said.

Strikers have been demonstrating at union offices and small railway stations.

Police stepped in to stop the strike and broke up protest sit-ins in Seoul and elsewhere. More than 4,500 police were mobilised, and 1,160 engineers were taken into custody in 15 cities, a police spokesman said.

The spokesman said those who masterminded the strike will be put under formal arrest and face charges, those who simply participated in protest actions will be freed with warnings, he said.



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KUWAIT ... GULF

King Fahd warns Iran

Saudi Arabia will hit back if attacked

(Continued from Page 1)

obliged to buy Western-made weapons.

"It is an agreement of interests," he said. "We are paying money for the weapons, nothing is for free. There are no emotions in bilateral interests."

"If it is difficult (to have an arms deal) with one country, we go somewhere else," King Fahd added.

The US Congress has blocked several arms deals to Arab states, including Saudi Arabia, for fear the weapons would be used against Israel.

Last November, it prohibited the sale of advanced F-15E jet fighters to Riyadh and limited it to older F-15 versions.

To get the bill through Congress, the Reagan administration

deleted the sale of 1,600 Maverick anti-tank missiles and ultra-sophisticated AN/APG-70 radars from the deal.

Saudi Arabia, apparently angered by the decision, turned to China for surface-to-surface CSS2 tactical missiles.

Riyadh and Peking said the missiles, with a range of 2,200 miles (3,500 km), would not carry nuclear warheads.

The Saudis also signed a multi-billion dollar deal, one of the West's largest arms accords, with Britain for Tornado jet fighters, helicopters, patrol boats and minisubmersibles.

He pointed out that arms keep getting obsolete and new varieties keep being produced every year "and naturally we must keep in line with circum-

stances like these."

"I believe that reasonable ones and every state realizes that the Kingdom of Saudi Arabia is not restricted by anyone and is not bound to any one by any treaty that forces it to conform to a certain thing."

Fahd called for the institution of a sufficient number of soldiers and non-commissioned officers with a high level of training, efficiency and instruction.

Reserve

"Why shouldn't we have a reserve of 300,000 or 400,000 or 500,000 of the sons of the nation as I said before," he added. Increasing numbers of Saudi youth are already voluntarily enrolling at the military academies instituted in the kingdom in response to his earlier

calls in recent years, he said.

The period of training need not be as long as 18 or 24 months, said Fahd, who appeared to be developing his earlier calls closest to the concept of conscription.

King Fahd reassured that despite a remarkable drop in the country's oil revenues, the kingdom's economy was still sound "and the citizen is still enjoying the freedom granted by the Almighty."

He noted that the kingdom's oil production had dropped in recent years from 10 million barrels per day to 4.350 million BPD, because, he said, Saudi Arabia wanted to preserve and support the Organisation of Petroleum Exporting Countries (OPEC).



Popular Cafes celebrated the Eid Al Adha on Monday. At Salmiya popular cafe, a folkloric function was held where traditional dances were performed. Acting Undersecretary of the Social Affairs Ministry, Abdul Rahman Al Mazroui attended. Additionally, the Sulaiman Al Shumaili popular cafe in Sharq celebrated the Eid by holding a similar function. Picture shows people staging a traditional dance.

ROYAL COURT

Amiri cable

HH the Amir yesterday sent a cable to the President of the Maldives congratulating him for the National Day of his country.

KUWAIT PRESS DIGEST

In conformity with Islam

THE daily Al Rai Al Aam yesterday called on Iran to demonstrate genuine desire for peace and indicated that peace negotiations with Iraq would conform with the teachings of Islam, by which Iran says it scrupulously abides.

The paper, in a front-page editorial, hoped that Iran would be brave enough to allow the peace process take its full length and that Iranian leaders would act responsibly as to make peace happen in the region. This would make it possible "for us all" to dedicate human and material resources for the liberation of Arab territories and Islam's holy shrine, the paper said in an apparent reference to occupied Palestine.

Iran last Wednesday said it was formally accepting a UN-ordered ceasefire in the Gulf war but Iraq feared that the move was only a tactical manoeuvre intended to buy Iran enough time to pull itself together after a series of battlefield defeats.

Al Rai Al Aam, meanwhile, defended Iraq's latest thrusts against the Iranian forces, saying "it was only 'natural' that the triumphant party should 'improve' its position and redeploy accordingly."

But the paper was quick to remind that Iraq had announced that it would pull out of Iranian territories to translate its keen desire for peace.

\$1.60 billion GCC joint power grid

BAHRAIN, July 26, (OPECNA): The Gulf Co-operation Council has approved \$1.60 billion for a power grid linking its six member states.

An announcement made here last week by Jamil Al Alwai, who heads the GCC Electrical Interconnection Committee, said the group had asked eight international consultants to submit proposals by September.

Contract

He said the final consultancy contract to be awarded in January 1989 would run for 18 months and by the middle of 1990, the final report would be presented to GCC electricity ministers.

The scheme is likely to be carried out in two stages. The first will connect Bahrain, Kuwait and Saudi Arabia, while the second will link the remaining member states of Qatar, the United Arab Emirates and Oman.

The grid will not only further strengthen economic ties between the six member states, but also lay the foundation for greater industrial integration in the region, Al Alwai stated.

According to the Inter Press Service (IPS) news agency, the need for an integrated approach towards economic growth and industrial development for the Gulf region has been increasingly felt in recent years.

It is being hoped that the grid will lead to better co-ordination in planning new industries and manufacturing units, as well as help avoid project duplication.

1,379,556 perform haj this year

BAHRAIN, July 25, (Reuters): The number of Muslim pilgrims to Makkah this year fell by 27 per cent to 1,379,556 from 1987, the official Saudi Press Agency (SPA) reported yesterday.

SPA quoted official statistics as saying 1.9 million Muslims performed the annual haj last year, including 926,000 from outside Saudi Arabia.

The number of pilgrims from abroad dropped by 17 per cent to 762,755 this year, it said, while pilgrims from inside the kingdom were also down to 616,801.

Meanwhile, a Saudi plane carrying 2,365 slaughtered sheep left Jeddah today for Peshawar. The sheep are among the pilgrims' Eid sacrifices and are aimed for the benefit of Muslims. The sheep will be distributed to Afghan refugees.

Yesterday, two planes left from Saudi Arabia for Sudan and Chad, the first carrying 4,450 heads of sheep while the second 2,750 heads.

More shipments of Eid sacrifices will follow to many Arab and Islamic countries.

This year about 1.4 million Muslims performed the haj. Each pilgrim is supposed to slaughter at least one sheep as his sacrifice.

Parcels accepted

ALL post offices have resumed acceptance of parcels since yesterday after a suspension of this service during the Eid Al Adha holiday.

The main post offices including Safat resumed normal services yesterday. The Airport post office, however, provided uninterrupted services during the holidays.

Muntaz post is now also open to public.

SALESGIRL Required Urgently
For a shop in Muthanna. Valid transferable residence required. Indian preferred.
Please call: 2428465
between 1.00 and 4 pm.

Duplication of work

A STUDY on the duplication of work has shown that some of the work done by the Ministry of Social Affairs and Labour is also done by eight other government bodies or ministries while that of the Ministry of Information is done by three other departments.

Prompted

The study was undertaken by the work methods and means committee, which distributed a questionnaire to different ministries.

The questionnaire was prompted due to earlier reports that many functions and services were being duplicated and in some cases even triplicated resulting in overspending without obtaining optimum benefit.

Replying to the questionnaire 67 per cent of the ministries and other government departments admitted that some sort of

duplication did occur and 33 per cent attributed the cause to technical reasons.

Examples cited were: childhood affairs being looked after by the Ministry of Social Affairs, Health and Education, youth affairs under the care of Kuwait University, Education Ministry and Social Affairs and Labour Ministry and so on.

Activities

Specifically queried as to the reasons for such duplication, 67 per cent of ministries and government departments said that it is due to activities of a joint nature, 17 per cent said it is due to unclear guidelines of activities and 16 per cent cited wrong administrative decisions.

As to a question whether any attempts were made to solve the duplication of work, 67 per cent of those polled answered in the affirmative.

Appeal rejected

THE Court of Cassation has rejected an appeal and upheld a sentence of seven years' imprisonment passed on a man by the Court of Higher Appeal.

The man was accused of posing as a detective, kidnapping a man, beating him and attempting to sexually assault him.

The Criminal Court sentenced the accused, identified only as Sajed, to 15 years with hard labour, but the Court of Higher Appeal reduced this to seven years.

Meanwhile, the Criminal Court has sentenced a man who

kidnapped two boys and sexually assaulted them, to ten years' imprisonment to be followed by deportation.

The judgement was upheld by both the Court of Higher Appeal and the Court of Cassation.

The boys agreed to accompany the man because he had asked them for directions to Farwaniya Co-operative Society. They were taken into the desert, but it was only after the offence had been committed that one of them was able to run to a nearby petrol station and inform the manager there of what had happened.

Measures taken to counter summer diseases

THE director of public health and training department at Kuwait's Ministry of Public Health Dr Rashed Al Owaisi announced that the department had taken all necessary measures to counter the summer diseases including contagious diseases which could occur during the pilgrimage season.

Witnessed

In an interview with a local daily, the director said that last year's pilgrimage witnessed a number of meningitis cases which prompted holding several meetings between the GCC member states to take appropriate action to avert last

year's occurrence.

Al Owaisi was quoted as saying that all precautions were taken to fight meningitis or any other epidemic during the forthcoming years in view of the paramount co-ordination among the member states.

Adopted

The official disclosed that the Ministry of Public Health this year adopted a vaccination campaign covering all pilgrims against the meningitis diseases and added that the United Arab Emirates and Bahrain had followed the Kuwaiti preventive measures during the pilgrimage season.

Owners of carpet and furniture shops happy

OWNERS of carpet and furniture shops have expressed their satisfaction at being provided a new site in Farwaniya area off the 6th Ring Road.

Abdulla Farhan said that sales at his shop increased at the new place. However, the rent of the shops has also increased, while the prices of goods remained static.

Disclosed

He disclosed that the new shops are neighbours with the more sophisticated carpet and furniture shops. But, as each had its separate customers, there was no competition among them in this sense.

He called on authorities to build a mosque and public utilities for the workers of these

shop and pave roads leading to the furniture and carpet shops.

Talab Al Qadhi said that prices of Japanese and English carpets increased at the souk due to the increase in the exchange rate of these currencies.

Turnover

The new shops sell big quantities to make up their turnover and sometimes their profits are as low as 6 per cent. He added that the present location is good as there is adequate car parking space.

Fahd Al Ajmi said that shifting to the new premises has created a new commercial area and will be really successful if public services, facilities, telephone lines, and good pavement are provided.

King Fahd meets Jawara

MINA, Saudi Arabia, July 26, (KUNA): King Fahd Bin Abdulaziz last night received here the Gambian President Dawda Jawara.

The Saudi monarch also received the President of Mali Moussa Traore, the Saudi Press Agency reported. The two African heads of states were in Saudi Arabia performing haj.

Saudi Finance and National Economy Minister Mohammed Aba Al Khail attend the meetings, the agency added.

Plenty of schools

THE acting director of the capital educational area, Ali Al Zinki, has said that about 44,000 pupils are studying at 108 schools in the area, taught by 3,290 teachers. He added that, while there was no shortage of schools, the area needed a further 117 teachers to make up the full staff complement. He said that two new schools, one in Shamiya and the other in Qadisiya, would be opened in the new academic year.

Al Zinki pointed out that the Ministry of Education had set up a committee, headed by the director of Jabra educational area, Ibrahim Abal-Khail, to study the needs of different educational areas with regard to schools and teachers. Teachers and administrative staff will be shifted to meet shortages that result from resignations and retirements.

People sometimes hinder work of firemen

IN an interview with members of the journalist activity department of the Kheitan Summer Club, the director-general of public relations at the fire department Lt. Col. Khaled Ali Al Qabandi said that the fire department was established in the 1940's.

Initially, it was a part of Kuwait Municipality and then of the Ministry of Public Works. A decree issued in 1982 called for the fire department to be supervised by the head of the Municipality and presently it is directed by the minister of state for municipal affairs.

Al Qabandi said that though leave is granted normally, peak summer seasons sets restrictions on the number of employees availing of leave and added that the department has a total of 3,000 staff.

The official said that the most common problem encountered by most firemen is the gathering of people around accidents or fires. Peoples good intentions to help firemen do cause a delay in activities.

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Fifth Marine Week celebrations

THE chairman of the organising committee of the Fifth Marine Week Abdul Hadi Al Yaqoub said that all necessary arrangements have been made to prepare the Old Faiika Market for opening on Thursday as part of the celebrations of the Fifth Marine Week.

The market will be opened to the public at 6.00 pm, on Thursday at the Faiika Tourism Complex and added that many new activities have been added to make it the biggest of all marine weeks.

Old traditional Kuwaiti articles and items like household utensils, folk clothes, handicrafts, cabinets, including fresh fruits and vegetables, well known Kuwaiti sweets in addition to



Part of traditional items to be shown at the market

chicken and pigeons will be on show. A local folkloric troupe will stage some of the Kuwaiti old traditional folk songs and dances, Al Yaqoub added.

Measures taken to stop thefts

A SECURITY source has said that measures are being taken to put an end to the recent spate of thefts in Kuwait committed by teenagers. He added that there was always a higher incidence of robberies during the summer as a consequence of several factors.

Firstly, young boys, who have a lot of free time on their hands, form small groups away from the control of their parents and commit these crimes largely for the sake of amusement.

Secondly, people who leave the country on holiday tend to invite crime by failing to lock their houses securely. Lastly, the youths are encouraged to steal cars because owners leave valuable things inside them.

The source said that obviously, it was quite beyond the ability of the security forces to watch and protect every house and car in the country.

He expressed the view that some people made a serious mistake when they did not notify the security authorities about such incidents or settled the matter privately.

He added that such actions only encouraged these young boys to continue to behave in this way, since they did not have to fear being punished.

Activities of animal health department

THE director of the animal health department at the Public Authority for Agricultural and Fisheries Affairs, Dr Sultan Ahmad Sultan, said the department has come a long way and have implemented many programmes to address the increasing expansion of the country's livestock.

The issuance of a law to practise the veterinary profession is considered one of the most important accomplishments. This law authorises the authority to supervise all veterinary workers at both private and public sectors he said.

Among the authority's activities during 1987-88, a poultry training course was organised in co-operation with the poultry centre of the United Nations in Jordan. A total of 28 poultry workers participated.

Two other courses were held in co-operation with the regional animal health and production project in Baghdad on artificial impregnation. Twenty six employees from the private and public sectors participated, Sultan added.

The official pointed out that the authority had completed a project in co-operation with the

Ministry of Public Health on eradicating the Brucellosis disease in sheep.

The project comprised collection of data through random samples covering 10 per cent of sheep in Kuwaiti farms. More than 305,947 sheep were vaccinated against the disease and other common diseases he said.

Dr Sultan disclosed that more than 2,732,523 different animals were treated from venereal and other diseases at the country's veterinary clinics. In 1987-1988 the authority had provided medical services to almost 45 million animals he said.

Customs inspectors

THE assistant director-general of Public Customs Authority for control and inspection Mohammed Al Rifai said that the authority has increased the number of customs inspectors at the airport and borders to facilitate processing of pilgrims documents and prevent smuggling during this hectic period.

He called on travellers to abide by the regulations of the Israeli Boycott Office and to ascertain the source of their purchases.

Skin diseases common during summer

By Bassam Al Qasas

SKIN diseases are common during the summer season. High temperatures, dust and humidity are all factors that contribute towards development of these diseases.

The spread of the diseases, reflects the genetic structure of humans which is formed by their nutrition, social habits, climate and the type of medical care.

Spread

It has been observed that inherited factors are important reasons attributed to the spread of many skin diseases. Such genetic structures are transferred through generations.

Dr Mohammad Abdullah Al Mishari, a specialist in skin and venereal diseases with the help of Dr Taiba Al Mnyais and Mohammad Al Shayeib mathematics professors at Kuwait University conducted a study on

the level of skin diseases in Kuwait.

The study was conducted on patients, at Mansouriya skin diseases clinic, who were treated from Jan 1983 to Dec 1984. The clinic serves patients residing at Sharq, Murqab, Qebila, Bnaid Al Qar, Shaab, Dasman, Nagra, Hawalli, Qadsiya and Mansouriya area which account for 22 per cent of Kuwait's population.

Patients

Al Mishari said that 22,505 patients visited the clinic during the above period. Females numbered 12,249 and 1,056 were males. Kuwaitis amounted to 14,760 constituting 34.41 per cent of patients in Kuwait.

He added that hot weather, humidity, human sweat are the main reasons for the spread of the disease. Most diseases are caused due to fungal infection,

the most dangerous being circular fungi and head fungi which is the main cause of baldness he added.

He disclosed that 10.78 per cent of skin patients are treated for acne. Acne has strong relations with nutrition, but, other than that, it is still unknown to the medical world.

Secretions

Several theories indicate that acne is caused by hormone secretions during adulthood. These secretions it is believed cause fat to accumulate in the form of acne underneath the skin. Acne conditions are mostly common among youths who are under acute mental stress.

Al Mishari said that 3.03 per cent of patients suffer from abnormal hair loss of the head and chin areas and in severe cases might spread to larger areas of body.

Cultivation of wheat possible

SPECIALISED agricultural sources have said that the geological nature of Kuwaiti land will not hinder the progress of a project to plant wheat, which the state is planning to do shortly. They added that even climatic and other problems could be overcome, but, quite obviously, the growth of wheat in Kuwait would not be the same as in countries with moderate climates and red soil. They said, however, that a crop such as barley could be grown easily here because it takes well in sandy soil.

Meanwhile, a local daily reported that a number of Kuwaiti farmers were keen to plant wheat during the coming season, having been convinced by the results of international studies which showed that the idea was feasible.

Kuwait pays special attention to environment

IBRAHIM AL HADI, the director of the Environment Protection Council, has been quoted as saying that the state has paid special attention to the environmental issue on local, regional and international levels.

Interview

In an interview with a local daily, Al Hadi referred to HH the Amir's message to the leaders of the superpowers during their summit held in December 1987, which urged the removal of the causes of worldwide environmental pollution.

In reply to a question regarding the existence of any study of the environmental problems resulting from the carrying of pollutants by the tides, Al Hadi disclosed that a study had been undertaken by the Kuwait Ins-

titute for Scientific Research (KISR) in 1983, financed by the Environment Protection Council.

The study was on Kuwait's coast and involved concentrated field research on 35 sites. Al Hadi noted that generally speaking, the study showed that there was no major cause for concern, but there were certain small areas where pollution was particularly evident.

Environment

Commenting on the role of citizens in protecting the environment, Al Hadi made mention of the fact that the Environment Protection Council had set up a programme of campaigns to highlight the problems and to heighten public awareness in this connection.

61,000 left through airport during Eid

By Faisal Maqseed

AN OFFICIAL source at Kuwait Airport said today that about 61,000 passengers left Kuwait through the airport during the Eid Al Adha holidays.

The source added that about 19,000 passengers left through terminal number 1 while the rest left through terminal 2. The source said that as many as 250 flights left Kuwait during the last five days including 61 additional flights.

Specifically, KAC made 34 additional flights during the holidays, including nine flights to Cairo. The largest number of passengers was on Thursday amounting to 18,000 and expected their returns after the Eid holidays effective Friday the source added.

Pilgrims from Kuwait will start arriving today, Wednesday. KAC will carry about 6,000 pilgrims back home from Wednesday and 13 additional flights will be in operation to meet the pressure the source said.

Charges may be imposed

THE Ministry of Communication is "seriously examining" the possibility of imposing charges for the 101 telephone information service in order to lessen pressure on the operators.

A ministry source said that despite the distribution of telephone directories to all subscribers, operators were treated as private secretaries and were plagued by people who do not bother to look for numbers themselves.

The source also cited a study, which showed that operators suffered from high blood pressure as a result of subscribers' dependence on them.

strong love of the citizens towards their country.

Sheikh Naser added that teachers and parents councils have an important role in the educational process and added that co-operation between schools and parents is a bridge which helps students through their educational journey.

Area councils play an important role

THE former Salmiya Council president and honorary president of the Salmiya Parents and Teachers Council Sheikh Naser Saud Al Sabah said that area councils play an important role in serving residents.

In an interview with a local daily, Sheikh Naser said that the current councils of the areas of Salmiya, Shamiya and Shuwaikh

operate actively to serve residents of these areas.

He said that the Ministry of Social Affairs and Labour had granted these councils 20 per cent of co-operative societies' profits as their budgets. Most of the amount was disbursed as awards to schools, outstanding students and summer classes.

The official pointed out that each of the councils has representatives to contact ministries with respect to the services and requirements of the areas' residents.

He stressed on the residents role in co-operating with the councils and cited the Jabriya airline hijacking as revealing the national co-operation and

EVENTS

VIDEO CORNER

Sense of melancholy marks Huston's final film

By Shaun Seekins

HAIRSPRAY is the latest off-beat comedy from director John Waters and stars the late lamented Divine. It is the latest in a series of films that they made together over the years, most of which are not allowed here for various reasons. Some might say that for once we are fortunate, as they all display different degrees of bad taste. One of the few available, Polyester, is somewhat emasculated as we are not able to supply the 'Odorama' cards that are supposed to be scratched at various times during the film to enable the viewer to participate fully in the experience of smelling a rose of old socks.

Maybeit's a sign of maturity, but this time John Waters is more middle of the road and his film turns out to be much the same as the teenage musical comedies he is presumably satirising. The story revolves around a television programme called the 'Corny Collins Show' where teenagers compete to perform the latest dance crazes. The shapely and snooty Amber is the Teen Queen, her parents Velma (Debbie Harry) and Franklin (Sonny Bono) are furious when the very chubby Tracy Turnblad pushes their daughter out of the show. Tracy's mother Edna (Divine)



Brian Dennehy in 'The Belly of an Architect'.

takes over as her manager and negotiates a deal with a local dress shop 'The Hefty Hide-away' to model the latest fashion for large ladies in a TV commercial. Edna of course makes a point of wearing the pick of the collection as she and her daughter parade through Baltimore.

The movie is set in the 1960's and has a send-up message when Tracy's best friend falls in love with a young coloured kid named Seaweed. It doesn't take long before there is a fight against racial discrimination of the 'Corny Collins Show'. Divine plays a dual role as the man who fights back to keep the status quo. His death last March came at a time when the critics were beginning to appreciate his somewhat bizarre acting style.

The Dead is the John Huston's final film. Based on a James Joyce short story, The Dubliners, it stars Angelica Huston. Set in turn of the century Dublin it tells of a New Year's party at the house of three musical ladies. A collection of motley characters turn up, a drunk with his oppressive mother, a crusty old man with a heart of gold, a couple of intellectuals and some eligible society ladies.

At first they pass the time with dancing, but the light-hearted tone of the evening changes, slightly at first as the songs become somewhat maudlin, then more dramatically with the recital of an extraordinarily gloomy love poem.

One couple who appear to be joining in the revelry particularly reluctantly in Gabriel and his wife Gretta (Huston). As they are preparing to leave, they hear an old Irish ballad sung by one of the guests. Only when they get back to their hotel does Gretta tell her husband why the song brought tears to her eyes. It reminded her of a 17 year old boy she had loved and who had died

because he got out of a sickbed to come and serenade her on a wet, cold night.

Beautifully acted, with superb singing and reciting in the party scenes, the sense of melancholy is held at bay until just the right minute. Perhaps his admirers may prefer to consider Frizzi's Honour as the director's swan song, but Huston has left a fitting testament in his film based on a story by the Irishman who Huston has gone on record as describing as "the most influential writer in my life."

Writer-director Peter Greenaway was so impressed by the architecture to be found in Rome when he went there to publicise his film The Draughtman's Contract that he created a character called Stourley Kracklite for his latest film The Belly Of An Architect.

The belly is strikingly provided by Brian Dennehy, who plays an obsessive architect who goes to Rome to mount an exhibition to an 18th century Frenchman Etienne-Louis Boullée. The Roman men like Kracklite's much younger wife and he likes their statues — until he becomes haunted by their stone bellies. Is he being poisoned by his adulterous wife or maybe he suffers from cancer? He doesn't know, all he knows is that it hurts.

I Want To Live is a made for TV version of the famous story of convicted murderer Barbara Graham who was executed in the gas chamber at San Quentin. A powerful film starring Lindsey Wagner and Martin Balsam.

Tour Of Duty II is a continuation of the Vietnam war film. Dynasty and Eastenders continue and for children Joyce and the Wheelers Warriors is available.

The above films are by courtesy of VFI, Safeway, Farwaniya, Video Naul, Sathiya (Tel: 2432809) and Video Club, Salmiya (Tel: 5724372).



Divine and Jerry Stiller as Edna and Wilbur Turnblad.



The late John Huston, director of The Dead.

TELEVISION PROGRAMMES

KTV 1

- 9.00 Holy Quran
- 9.30 Space Adventure: cartoons
- 10.15 Dawat Al Hub: Arabic serial, starring Mirwat Amin, Mustafa Fahmi, Iman Al Toqi.
- 11.00 News Summary followed by musical interlude
- 11.15 Alal Duniya Al Islam: Kuwaiti series, starring Hayat Al Fahad, Saad Abdullah, Ali Al Mufidi, Maryam Ghadban.
- 12.00 Good Morning/News Summary
- 12.15 People and Sports
- 1.00 News Summary
- 1.05 World News via Satellite
- 2.30 Al Saraab: Arabic serial: starring Mahmoud Saad, Mahmoud Abu Ghareeb, Abeer Essa.
- 3.35 Bill and Sebastian: cartoon Serial.
- 4.00 News Summary
- 4.05 Magazine D'Actualite
- 4.25 The Fourth Wish: English feature film
- 6.00 Bunduq Wa Bunduq: children's serial, starring Liza, Abdul Rahman Abu Zahra
- 7.00 Talk Show: tonight's discussion focusses on traffic problems.
- 8.30 Wa Qalat Al Arab: "And the Arab Said", Arabic serial.
- 9.00 News in Arabic
- 9.50 Al Hussain: part two of Arabic serial, starring Samiha Ayoub, Saad Ardash, Tayseer Fahmi.



O'Hara solves another case, KTV2.

- 10.50 Hikayat Min Al Badiya: "Al Zahra", starring Miyad Awad, Hassan Ibrahim, Ashraf Abaza
- 11.50 News Summary/Magazine D'Actualite/Closedown

KTV 2

- 6.00 Holy Quran
- 6.10 Inspector Gadget: cartoons
- 6.30 The Kids of Degrassi Street: "Samantha Gets a Visitor", Liza and Samantha go on a fishing trip...
- 7.00 Computers in Control: "Getting it Together", A look at computer applications.
- 7.30 Growing Pains: "Michael Gate", Mike is nominated to chair the student's group...
- 8.00 News in English

- 8.40 O'Hara: "Artful Dodgers". Jimmy dies during a robbery but his brother, also involved in theft, is at large.
- 9.30 Edge of Life: "Born too Soon", Medicine. A look at care of premature infants in hospitals in the UK.
- 10.00 Sledge Hammer: "Hammeroid", Hammer is asked to pursue a "robot" designed to rob banks... Starring: David Rasche as Sledge.
- 10.30 L. A. Law: the much acclaimed series about the workings of an L. A. law firm; the personal and professional triumphs of lawyers.
- 11.30 News Summary/Magazine D'Actualite/Closedown

Please note that programmes and timings are liable to change without notice.

CINEMA TODAY

Al Andalus Rambo III. Starring: Sylvester Stallone

Al Salmiya Al Jazira Theatre performance for Eid

Al Jahra Steel Dawn

Fahadhel Open Air Aurat Ka Inteqam (Hindi). Starring: Supriya Pathak

Al Firdous Aakhri Adalat (Hindi) Starring: Vinod Khanna, Dimple Kapadia, Jackie Shroff

Drive-In Asdiqah Al Shaitan (Arabic) Starring: Noor Al Shariff, Farid Shawki

Al Fahadhel Antar Shayal Saifa (Arabic)

Al Jahra The Last Shark Granada

Al Marmoura (Arabic) Solahikhat Anantharam (Malayalam)

Al Jleeb Alligator

Ahmad Drive-In Asdiqah Al Shaitan (Arabic)

Children explore their talents

KUWAIT'S children are encouraged to explore their talents through summer painting workshops which also give them an opportunity to see their works on display. More than 5,000 children took part in a week-long programme in early July sponsored by the National Council for Culture, Arts and Letters.

The children's cultural section at the council started out as a committee of concerned members but it has gone on to adopt a much more comprehensive range of activities. The section has organised art exhibitions to encourage more participants and, in 1987, a group of talented young teenagers were chosen to be members.

Yusra Al Sharikh, a humanities researcher at the section, said that over 5,000 children took part in a weeklong painting workshop, while the number of participants in the drawing exhibitions has ranged from 300 to 500. A number of handicapped children have also taken part.

A committee was formed to select the best drawings, which were judged on the basis of both talent and age. The superior ones have been sent on to participate in international contests.

A committee has also been established to set standards for children's theatre and to promote its further development in Kuwait.

The centre is keen to hold an annual festival featuring children's books and games and is inviting book stores, TV, radio and other media to participate. The festival will include a section sponsored by the Ministry of Interior; it will provide information on traffic and safety precautions.



Children at work.

WHAT'S ON

ARTS

Tareq Rajab Museum
The museum in Jabriya houses a collection of Islamic arts, costumes and jewellery from the Muslim world. Summer timings are 9 am to 12 noon and 4 to 7 pm, Sat. thru Thurs. On Friday the museum is open only in the mornings.

Islamic Arts Museum
The museum, located on Arab Gulf Street, is open from 8.30 am to 12.30 noon and 4.30 to 7.30 pm, Saturday to Thursday. A collection of the finest Islamic art objects are on show.

Kuwait Science Museum
The museum will be open to the public every evening from 5 pm and from 9 am on Friday.

SOCIAL

German-Speaking Cultural Association
The regular coffee mornings for ladies will continue on a small scale during the summer months. Coffee mornings will be held on Sunday, August 7 at the Hilton's La Patisserie from 10 am on those days. All German-speaking women are welcome.

YMCA
The YMCA will present the "Come September Ball" at the Kuwait Sheraton Hotel on September 1. Highlights include the selection of the Queen of Queens. Top Ranks will be in attendance.

D'Assisi Association

The association will hold a social evening-cum-variety show on August 11 at Messiah Beach Hotel. The event is part of the 40th anniversary of Indian independence. Top Ranks and Next of Kin will be in attendance. For details contact Leena — 2469811, 9.30 am to 5 pm; Henry 3291909 (am), 3717346 (pm) or Augustin 5746754 after 6 pm.

Summer Belle '88
The United Goans Centre will hold their annual Summer Belle '88 contest on August 11 at the SAS Hotel's The Tent. The gala event marks the 10th anniversary of UGC. Entertainment includes music by Stepping Stones and City Limits. For further details contact Tony Goncalves 2612024 or Joe Fernandes 5655140.

IAC Ghazal Evening
The Indian Arts Circle (IAC) will hold a ghazal-cum-dance evening on July 28, Thursday, 7.30 pm, at the IAC, Funaites, to celebrate Eid Al Adha. All IAC members and their guests are welcome. For entry passes contact — 3904817.

Carom Tourney
A carom tournament will be held in Maidan Hawally, commencing on 5th August, 1988. Those interested in participating, please call 5618684; 8-12.30 pm. Last date for registering names is 4th August.

Onam Festival
The Viswabarathi Theatres, Abbasiya, will celebrate Onam on Aug 25 at the Indian Arts Circle. IAC President M. Mathews will be the chief

patron. The programme comprises Onam songs, Mohiniyattam, classical dances, Thiruvathirakali, folk dances, light music, one-act play, boat race and Kerala rural arts. Those interested in taking part contact Lazar Varghese — 4314511; Thomas Perumppilly — 4810490 ext. 207; Verghese Paradayil — 2422973.

HOTELS

At the Holiday Inn
Tropical melon delights are being promoted in various outlets at the hotel... Al Ahmad Coffee Shop offers Continental and Arabic buffets for breakfast, lunch and dinner from 6 am to 1 am; a la carte also offered.

On Thursday, enjoy Oriental music and food at the Oriental Night at the Al Andalus Supper Club. Al Dana offers a special treat for children at the Friday brunch, open from 11.30 am to 3 pm, featuring games, gifts and lots of surprises.

At the Continental
The Darbar offers a daily lunch buffet with a wide range of Indian kebabs and curries. A la carte for dinner.

At the Sheraton
Authentic Lebanese cuisine is featured every Sunday night; seafood specialties offered on Wednesdays and a sumptuous buffet featured on Fridays. Entertainment provided by the Lords.

Dine in the Riccardo restaurant to enjoy Italian cuisine; music by the Sienna Duo. Riccardo is closed on Fridays.

PRAYERS

Fajr	3.36 am
Zuhr	11.54
Asr	3.30 pm
Maghreb	6.43
Isha	8.10

NIGHT CHEMIST

Kuwait
Al Hajeri Pharmacy
Hajeri Bldg., Hilali St.
Al Rashid Pharmacy,
Ahmad Al Jaber St.

Hawalli and Nagra
Al Qatani Pharmacy
Beirut St.

Salmiya and Rumaithiya
Phoenix Pharmacy
Salem Al Mubarak St.
Fahadhel and Ahmadi
Al Ahmadi Pharmacy
Souk Ahmadi

Farwaniya
Al Huwaila Pharmacy
Clinic St.

Jahra
Al Noor Pharmacy
Abdul Aziz Nasrullah Bldg., Matafi St.

At the Ramada

El Bender Coffee Shop offers continental and Arabic buffets for breakfast, lunch and dinner from 6 am to 12 midnight; a la carte also featured.

The Take-Away counter, open daily from 4 pm to 11 pm, offers a selection of Arabic sandwiches and snacks.

The Lobby Lounge offers a selection of coffee, tea, juice, cakes and pastries.

At the Meridien

La Brasserie offers Friday brunch from 12 noon to 4 pm, also open daily for breakfast, lunch and dinner.

Beat the summer heat with cool juices offered in the lobby lounge; musical entertainment is provided in the evenings.

SPORTS

IVth Winners Cup cricket tournament

The YMCA will hold the All Kuwait Open IVth Winners Cup cricket tournament, beginning September. It will be played on Fridays and holidays at the KOC ground, Ahmadi. Teams wishing to participate can contact Joe D'Sa, Tel: 3981790, 3-5 pm; 3924659, 5-8 pm.

PBAK bowling tournament

THE PBAK inter-commercial bowling tournament will be held in the second week of August. All companies wishing to take part are requested to register on or before August 7 at the 300 Club. For details contact PBAK director Sarah Macarimbang.

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ARAB TIMES

Thought for today

It is characteristic of wisdom not to do desperate things — Henry David Thoreau, US writer-naturalist (1817-1862).

Zia shows no sign of losing his grip

By Malcolm Davidson

ISLAMABAD, (Reuters): Pakistan's military strongman and president paints himself as a humble man who would much rather be playing golf than running the country.

To the opposition, General Mohammad Zia-ul-Haq is a wily operator bent on manipulating the political strings to ensure it is his vision of an Islamic republic that prevails.

Whatever the truth, political analysts and commentators say there are few signs that Zia's grip on Pakistan has weakened 11 years after seizing power in a coup in July 1977.

His ability to call the shots was amply demonstrated last week, they say, in his announcements on successive days that elections were being delayed until Nov 16 and would be held on a non-party basis.

They had been due to be held within 90 days of his May 29 sacking of Prime Minister Mohammad Khan Junejo and dissolution of the National Assembly.

Foul
The opposition have cried foul and declared they intend to challenge the constitutionality of Zia's decisions in the supreme court and to mobilise public opinion against him.

Zia confidently predicts the opposition led by Benazir Bhutto's Pakistan People's Party (PPP) will not repeat their mistake of 1985 when they refused to go along with non-party polls and called on their supporters not to vote.

"They will all have to conform to the rules that I lay down for the game," he said after announcing last week that parties were barred from directly contesting the election.

He denied on Saturday that he chose Nov 16 because it coincided with the last weeks of Benazir's pregnancy. She is expecting her first child at the end of the year.

In a radio interview with the BBC last week, Benazir conceded that pregnancy could

affect her ability to campaign fully by polling day.

The opposition parties will not be banned from campaigning in support of individuals, but each candidate will have to present himself to the electorate on his own merits and without marking a party allegiance on the ballot paper.

In Pakistan, where less than 30 per cent of the 100 million population is literate, the use of nationally known election symbols has always been an important way of identifying candidates.

Zia says that by opting for non-party polls as he did in the last national elections in 1985 he will produce a much better form of democracy because people will be forced to vote for individuals rather than blindly following a party.

The result, say analysts, will be a national assembly which Zia can mould through offers of government office and influence to create an administration he can work with.

Political groups may swiftly appear within the 237-seat assembly but by then Zia will have forged the power base he needs to push through his policies.

Weak
Traditionally, political loyalties have been weak and politicians are often seduced by offers of power or influence, said Fakhar Imam, a former speaker in the last parliament.

"Once they are inside the house the political chemistry changes and a slight majority will go along with whoever looks the most likely to become prime minister."

Speaking to foreign reporters at his Rawalpindi presidency on Saturday, Zia made clear he intended to make full use of his power to nominate whomever he wants to be prime minister.

The President, an affable man with a reputation for being infinitely courteous to guests, went to great lengths to explain his vision of democracy with quotations from political philosophers and even Abraham Lincoln.

History is on Dukakis' side

THE opinion polls give Michael Dukakis a five to 10 lead over George Bush in the wake of his performance at the Democratic Party convention.

But the general expectation is that by September it will be a neck-to-neck race. If the betting odds are slightly in Dukakis' favour now it is because, firstly, history is on his side. Voters get tired of an administration that has been in power for two terms. It has little to do with personality or performance, it is simply the desire for a change.

It happened to the Republicans in 1960 and in 1976 and to the Democrats in 1968. Only Franklin D. Roosevelt was an exception; in his case it probably was due to people not wanting to switch parties in wartime. Secondly, Dukakis projects a youthfully attractive personality, the son of an immigrant, a symbol of the American dream, as he likes to point out.

Classes
He looks and sounds classless in contrast to Bush who has the manners and the look of an aristocrat. People feel more comfortable with Dukakis. He creates the impression of being involved, a man of causes. Bush appears detached with little feel for the common man. Thirdly, Dukakis projects self-confidence, inner security, decisiveness and a determination to be a leader.

One of the cleverest slogans, coined by Senator Teddy Kennedy during the convention that is going to haunt Bush was "Where was George?" The implication is that he claims never to have been involved in the mistakes made by the Reagan administration. Thousands of T-shirts with that slogan are flooding the country. Fourthly, personality rather than issues are likely to decide this election.

Advantages
But the advantages are not all on Dukakis' side. First of all Bush is no slouch and can rise above the image the public has of him. Secondly, the American economy is strong, unemployment is the lowest in some fifteen years, inflation and interest rates are also at a record low — will Americans under those circumstances want to switch horses and elect a man who sounds like a welfare spender despite the frugality he imposes on himself?

Bush has sworn not to impose any taxes. Dukakis has made a similar pledge but left himself an escape hatch — will that make a difference? Dukakis has the limited experience of a governor of Massachusetts. Bush has been a member of Congress, an ambassador to the United Nations, to China and a vice-president — it is bound to count

for something in the mind of the voters.

Thirdly, he is part of an administration whose term ends on an unexpectedly high note in the field of foreign affairs. President Reagan has set the stage for a rapprochement with the Soviet Union, his decision to supply Stinger missiles to the Afghan rebels has forced the Soviet Union to withdraw its troops from Afghanistan, his decision to send the US fleet into the Gulf to contain the Iranian Navy has forced Ayatollah Khomeini to give up the war against Iraq and his grand design for an Islamic revolution to take control of the Middle East, and American mediation seems closer in getting Cuban troops out of Angola.

Not a bad finale for a "lame duck" president. Much will depend whether Bush will be able to answer the question: "Where was George?" when all this happens.

For Dukakis the question is broader: "What does he know about foreign policy and what will be his foreign policy?" So far he has not been very specific. From talks with him and his foreign policy advisers the following picture can be pieced together:

Relations

Soviet-American relations: he approves of President Reagan's policy of rapprochement, he favours a START agreement reducing strategic nuclear weapons by 50 per cent, he might, in fact, come to an agreement faster because he does not believe in the "Star Wars" (SDI) project so close to Reagan's heart, but anathema to the Soviets. He also favours adhering to the original interpretation of the ABM Treaty.

He says that he would maintain the present structure of the nuclear deterrent, but he is opposed to placing MX missiles on railroad cars — the latest proposal put forth by Secretary of Defence Frank Carlucci. He also opposes the Midgarden, which is still on the drawing board, a mobile missile, expensive to build but desirable for multi-warhead missiles under a START agreement will become less useful. His distaste of nuclear weapons, however, is such that he treats the arms race as "evil" in itself.

He does not really see it as a necessity in view of the Soviet military threat which he would prefer to meet with conventional forces, which is much more costly than relying on nuclear weapons. Some of his policy advisers

Inside Washington

By Henry Brandon

Taylor Jones 1988



MICHAEL DUKAKIS

isers are trying to talk him out of some of these ideas and he may well come to adjust them when faced with reality, but they are not only deeply disturbing to the military but to many influential Democrats in Congress and, above all, to the NATO allies. Not surprisingly, they make him sympathetic to the Soviets.

Belief
He has, however, emphasised a firm belief in NATO and his opposition to "American" troop withdrawals from Europe. However, he privately admits that if Congress — as it is likely to do — were to ask for troop withdrawals, he will not oppose them. He does share the view of a grow-

ing number of Americans that Western Europe, and especially Japan, in view of the strength of their economies, are remiss in sharing enough of the defence burden.

Middle East: Just as President Reagan, he believes that if Yasser Arafat accepted UN resolutions 242 and 338 the prospects for a peace settlement "would greatly improve" and put pressure on Israel to be less rigid in its opposition to the PLO.

He "would favour" direct negotiations between Israel, Jordan and responsible Palestinian leaders, but if necessary would be willing to act as an intermediary. He regrets, I am told, that Israel

did not take advantage of the Arab world's preoccupation with the Iraqi-Iranian war to seek a settlement, for Iraq, a sworn enemy of Israel, may make it more difficult in future.

No one has asked him the crude question whether his outlook on the Middle East would be especially influenced by the fact that his wife, Kitty, is Jewish. But even though he holds strong sympathies himself for Israel in seeking peace he may want to act as a mediator.

Regarding the situation in the Gulf, he probably would not have interposed the US fleet, I am told, for mentally he is much less of an interventionist in international affairs than Reagan. This may have something to do with his ignorance in international affairs, his lack of experience in diplomacy and his distaste for the use of power.

Central America: His views on Nicaragua sharply differ from those of President Reagan. He does not consider Ortega a Soviet stooge. He therefore does not believe that he should be treated as a Soviet satellite engaged in subverting the area. He would expect the Soviet, though, to stop all aid to Nicaragua if he ended all support for the Contras. Jesse Jackson, the great defender of the Third World, is unlikely to exert great influence in foreign affairs. He did induce Dukakis to adopt a stronger platform against South Africa but the kind of economic aid he would like to provide for Africa in particular, is simply not practical and would not pass Congress.

Withdrawn
His proposal for Palestinian self-determination which he wanted to be included in the Democratic party platform was debated at the Convention, but withdrawn before it could be voted on. He approved of that withdrawal, most probably, because he did not want to revive the belief among many Jews that he is an anti-semitic. The fact, though, that it was debated at all was unprecedented, and a indication of a changing climate and a realisation that sooner rather than later this issue will have to be part of a peace settlement.

Dukakis has an extraordinary talent for languages. He speaks Greek, which he learned in his parental home, Korean while he served for two years in the Army in Korea, Spanish while spending a summer studying in Lima, Peru, staying with a Peruvian family. He also speaks French

and some Norwegian. But despite his Greek heritage, he travelled to Greece only once and despite his interest in languages he has hardly travelled abroad after he entered politics. And as a politician he concentrated on domestic affairs. Still during his stay in Peru he learned a lot about Latin American prejudices toward the United States.

His lack of experience in foreign affairs is bound to be one of the issues Bush will stress, but, according to Arthur M. Schlesinger, the historian and former aide to President John F. Kennedy, it need not be a handicap because, he says, good judgement rather than experience is what matters. Whether he has good judgement remain to be seen.

Ceasefire
Nothing however came as a greater surprise last week as the bitter admission by the Ayatollah Khomeini that Iran needed a ceasefire and peace. Even though everybody is well aware that peace will not break out overnight, that it will require protracted negotiations, it is reassuring that Khomeini whose death has been a wish on the part of many here and in the Arab world, is still alive and that he has assumed responsibility for the humiliation in defeat that otherwise could have led to civil war within Iran or at least to fierce fighting between the factions that are struggling for power; Khomeini is beyond the law.

American policy-makers take a great deal of satisfaction in that they played a decisive influence in the war by sending the fleet into the Gulf, thereby reinforcing the staying power of the Gulf states and Iraq's indirectly. They are also pleasantly surprised how effectively Saudi Arabia and the other leaders in the Gulf played their cards, resisted the threat of the Islamic revolution, and recognised that it was much more menacing than the Israeli threat.

With the Iran-Iraq war coming to an end, the Arab-Israeli conflict will again assume centre stage. Meanwhile Iran and Iraq will have to plan for their economic recovery from the war and how to deal with the enormous debts they incurred. Iraq owes some \$50 billion to Western European banks.

The Reagan administration has been quick in establishing communications with Tehran in the hope that the Iranians, in order to create good will, will exert their influence to obtain the release of all hostages in Shiite hands. It is the pivotal issue on which future relations will depend. In exchange the US may offer a reduction of its naval presence in the Gulf once the safety in the Gulf has been restored.

Sihanouk key to Kampuchean peace

JAKARTA, (Reuters): Prince Norodom Sihanouk of Kampuchea has often mocked himself as a mere puppet shoved around by forces beyond his control, but no one trying to plot the future of his strife-torn country can ignore the irrefragable ex-playboy.

Sihanouk, who ruled Kampuchea first as king and later as president from 1941 until 1970 when he was overthrown in a coup, went to Jakarta to watch sceptically the first peace talks among warring Kampuchean factions since the Vietnamese invaded nine years ago.

The 65-year-old prince is seen internationally as the only figure who can form a government acceptable to all sides when Vietnam completes its promised withdrawal by 1990.

As peace talks go on in Bogor, near Jakarta, Prince Sihanouk is staying as a guest of Indonesia's President Suharto, aloof from the negotiations but ready to add that touch of mercurial diplomacy which has become his hallmark.

Rivalries
Sandwiched between stronger states in a once-pleasant Asian backwater, the country which Sihanouk ruled and then watched anxiously from exile has been gripped by a series of man-made catastrophes and great power rivalries since the 1940s.

Asia's most radical communist experiment, played out for nearly four years until Vietnamese troops toppled the Khmer Rouge in January 1979, produced horror stories of mass executions, torture and starvation.

Sihanouk greeted the Khmer Rouge seizure of power in April 1975 as "adding beautiful pages to the history of our Cambodia" (Kampuchea) but he soon became disenchanted with the country's new masters.

He wrote in his memoirs that five of his own children and 14 grandchildren had perished in Khmer Rouge death camps that went under the euphemism of production co-operatives.

Resigning as head of state after 12 months of Khmer Rouge government, Sihanouk and his relatives were kept virtual palace prisoners for almost three years.

He was whisked into exile in Beijing just as Phnom Penh was about to fall to the Vietnamese.

Hanoi's installation of a new government in Phnom Penh began a new chapter in Kampuchean suffering. Guerrilla resistance spread and in 1982 Sihanouk's forces formed an uneasy resistance coalition with his former prime minister, Son Sann, and the militarily powerful but internationally reviled Khmer Rouge.

The Soviet Union has backed Vietnam, China, the United States and its allies support Sihanouk's shaky coalition as the means to bloody Vietnamese noses in Kampuchea and muster the votes for the annual condemnation of Hanoi at the United Nations.

In search of a diplomatic solution, Sihanouk has proposed that his coalition and the Heng Samrin regime in Phnom Penh form a temporary four-party national reconciliation government as Vietnam withdraws.

That would be followed by UN-supervised elections to form a National Assembly which would draft a new constitution. In Paris last week, Sihanouk called for an international conference on Kampuchea and a peacekeeping force to restore calm after decades of strife and foreign intervention.

Exile
Sihanouk has spent the past 10 days in France in self-proclaimed "exile" after quitting as head of the coalition and accusing the Khmer Rouge of trying to liquidate his forces.

Diplomats interpreted the move as putting pressure on Beijing to cut support for the Khmer Rouge. He resigned for several months in May 1987 for similar reasons.

Sihanouk in the past ruthlessly purged his opponents on the political left, according to Elizabeth Becker in her book "When the War Was Over."

Becker alleged Sihanouk was behind the disappearance and presumed assassination of communist leader Tou Samthet in 1963, and may also have instigated the violent death of the editor of the Communist Front newspaper in 1959.

Commandos undertake suicidal missions

By John Fullerton

ALMA EL SHAAB, Lebanon, (Reuters): They plunge into the Mediterranean coast in the west to Mount Hermon in the east.

Supporting them are about 600 Israeli soldiers and intelligence officers and from time to time helicopter gunships, fighter planes and artillery based across the border in Israel are thrown into counter-insurgency operations.

Palestinian attempts to penetrate the border area — referred to by Israel as its security zone — and then breach Israel's formidable frontier defences seem hopeless.

At sea, gunboats and aircraft patrol ceaselessly. On the coast, ambushes are laid and tanks move up and down the shore.

Inland, Israel's frontier is protected by a swathe of high tech defences slicing across the rolling hills coils of razor wire, minefields, electronic fences and flares. The no-go area is constantly monitored by low-light television cameras, electronic sensors,

Palestinians swim against odds to hit Israel

ching 110km (70 miles) from the Mediterranean coast in the west to Mount Hermon in the east.

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foot patrols and helicopters.

It is not surprising that neither the Palestinians nor other anti-Israeli Lebanese organisations are seen here as posing a significant military threat.

Respect
Yet it is the Palestine Liberation Organisation (PLO) that is recognised as the biggest danger to Israeli interests, and the commandos, puny and desperate though their efforts may seem, command a grudging respect on the part of their foes.

The reason is simple. The Palestinian commando fights for an idea and in many cases prefers to die rather than surrender.

"The Palestinian is the dangerous one," said Colonel Haim Ariv, the Israeli defence force's civilian co-ordinator for Lebanon, when asked about commando organisations in the south.

The morale of Hezbollah, funded and inspired by revolutionary Iran, had been weakened by

Iranian reverses in the Gulf war and recent inter-Shiite fighting in Beirut's southern suburbs.

And unlike the PLO, whose fighters concentrated on the Israeli border, Hezbollah launches attacks against positions in the SLA-held border zone. Security sources here regard the assaults as a public relations exercise to gain the support of Shi'ite communities throughout the Middle East.

The third category of anti-Israeli commandos was drawn from Lebanese leftist organisations.

For Colonel Ariv, the tiny leftist groups are proxies of Syria and their attacks are determined less by a commitment to oppose Israel than a desire to convince their paymasters in Damascus to continue providing cash and political support.

"If they are not doing anything, they will disappear," he said. "Their attacks are based on the need to survive."

Finally, Ariv considers Lebanon's mainstream Shi'ite movement, Amal, relatively moderate.

Although allied with Syria, Amal had little intrinsic involvement in the Arab-Israeli conflict other than its leaders' need to publicly preserve their credentials as Muslim Arabs and encourage Damascus to keep providing arms and cash.

"We don't consider the Shi'ite community as our enemy. We had good relations all these years ... we see no reason why they would be hostile to us, or us towards them," said Ariv.

Competition

Palestinians aside, much of the hit-and-run campaign directed at Israel and its Lebanese allies here arose from competition among various Arab groups for cash and territory.

Security sources say this has intensified after inter-Shi'ite fighting in Beirut in April and the move south of hundreds of PLO

leader Yasser Arafat's Fatah fighters last month after a Syrian takeover of Beirut's Shatila and Bourj Al Barajneh refugee camps.

To the east, also inside the border zone, lies the picturesque Druze village of Hasbaya in the heart of what is known as "Fatahland", a popular infiltration route for the PLO.

A young Druze officer in the SLA's intelligence arm the General Security Service (GSS), said that while he believed Lebanon had no reason to pay what he called the price for the Palestinian campaign, he respected his PLO foes.

Cause

"They have a cause ... they are ordered to die rather than surrender," he said.

About 62 squads of commandos from various Lebanese and Palestinian organisations tried to penetrate Arkoub district last year, to attack Israel or its SLA allies.

Territorial dispute exposes limits to Gorbachev's glasnost

ing the borders as the demonstrators want them would constitute an abuse of democratisation "fundamentally at variance with the aims of perestroika."

Giving in to nationalistic demands, he told the presidium, would "poison public mentality with nationalist venom and thereby spoil relations between the peoples for many, many years to come."

The presidium unanimously rejected Nagorno-Karabakh's attempt to secede from Azerbaijan against the will of its parent republic. And it warned that a series of strikes that began in Nagorno-Karabakh and spread to Armenia, crippling the local economy, had exhausted the supreme body's patience.

The Kremlin authorised police to "take essential measures" to end the strikes and put a stop to "any activities directed at kindling national strife and to attempts to misuse democratic rights for anti-democratic purposes."

Troops posted in the strife-torn areas were reinforced. Paruyr Ayrikyan, a leader of the annexation drive who was arrested in March on a charge of defaming the state, was stripped of his Soviet citizenship and ordered expelled from the country.

First indications were the new get-tough tactics were effective. Most workers in Armenia returned to their jobs, although the general strike continued in Nagorno-Karabakh.

The central leadership has acted with more restraint and tolerance than would have been expected under previous Soviet leaders. Not long ago, the Kremlin would have turned quickly to force to put down the turmoil.

This time the Kremlin first sought to use persuasion. Gorbachev, for instance, made a personal appeal Feb 26 for "civic maturity and restraint," and the mass demonstrations in Yerevan subsided.

TODAY IN HISTORY

- 1563 — French Army regains Le Havre, France, where English garrison is stricken with plague. Soldiers returning to England introduce the plague.
- 1655 — Great elector of Brandenburg concludes defence treaty with Dutch, which starts first northern war when Sweden's King Charles X invades Poland.
- 1675 — French Marshal Turenne is killed in battle at Salsbach, marking end of great French victories against triple alliance forces.
- 1710 — British forces score victory over Spanish at Alminara, Spain.
- 1795 — Spain signs peace treaty with France, ceding her part of San Domingo.
- 1839 — Opium war between China and Britain begins after Chinese authorities seize and burn British cargoes of opium.
- 1848 — Russians invade Danubian principalities at request of Turkey to put down revolts there.
- 1894 — Regent of Korea declares war on China.
- 1933 — Assyrian Christians are massacred in Iraq.
- 1941 — Japanese forces land in Indochina during World War II.
- 1953 — Korean armistice is signed at Panmunjom.
- 1954 — Britain and Egypt agree on terms ending 72 years of British control of Suez Canal.
- 1965 — US planes carry out first attacks against anti-aircraft missile sites in North Vietnam.
- 1978 — UN Security Council endorses Western plan for ending guerrilla warfare in South-West Africa and bringing it independence as new black African state of Namibia.
- 1987 — Riot police in Sri Lanka clash with Sinhalese Buddhists demonstrating against peace plan aimed at ending bloody rebellion by Tamil Hindus.

By Kathy Cuddihy

MY husband recently accorded my writing efforts "professional" status by surprising me with the gift of a very businesslike telephone answering system. The electronic variety, I mean. I'd endured the human variety for years in the form of a maid who spoke and understood only limited English. My tolerance for garbled messages had sunk to a low ebb, so it was definitely time for something more sophisticated.

Needless to say, in order for the machine to be effective, I was required to record some sort of message in order that callers would know they had reached the right number. This proved to be the first stumbling block. What on earth should I say to an unresponsive machine? Of course, I wanted to make my words witty and intelligent, but what sort of universal message covers all situations?

"Hello. This is Kathy Cuddihy, a struggling writer. If you have a paying assignment for me, please leave your name and phone number. If you are an editor calling to reject my work or, worse, an angry bank manager, then I regret to inform you that you have dialed the wrong number." I suppose that separates the chaff from the wheat, but is the tone too flippant. Or perhaps too direct? Should I instead try the charming or the subtle approach?

"Hello. I'm sooooo glad you have called. I'm not home right now, but I will be. Believe me. In the meantime, don't do anything rash like get someone else to work for you. I promise I'll return your call the minute I get home. Thank you sooooo much."

In the end I decided that

Getting the message



the amateur dramatics would probably hinder my budding career rather than help it, so I settled on a boringly conservative, run-of-the-mill recording.

"Hello. I'm sorry I can't come to the phone. If you leave your name, number, and a brief message at the sound of the tone, I'll get back to you as soon as I can." Sheesh. It sounds like I'm in the bathroom or something.

Every day when I returned home, eagerly checked the machine, anticipating a great volume of message traffic. That's when I realized that the system has a second stumbling block: callers don't like talking to an unresponsive device any more than I do. Some suffer verbal paralysis and

can only emit a couple of stuttered grunts before hanging up in fearful defeat. Others, whose lack of familiarity with such machines, coupled with their insufficient grasp of English, can be heard to mumble the occasional X-rated phrase before slamming the receiver in a pique of frustration.

Fortunately, not all callers are so inhibited. Some manage to leave clear, sufficient messages. A few even have a sense of humor about the procedure. I recently sent a generous slice of apple pie to the office of a friend. He phoned to thank me, but I wasn't home. When I returned a tape of his dulcet voice awaited me.

"Hi, Kathy. This is Peter. I'm just calling to thank

you for the pie. What a nice surprise. Ah...ah...ah... I think I'm...ugh...going to be...SICK!" Cute.

The prize for originality, though, goes, to the column illustrator. Her messages play like outrageous Hollywood scripts. Or perhaps like premonitions of things to come.

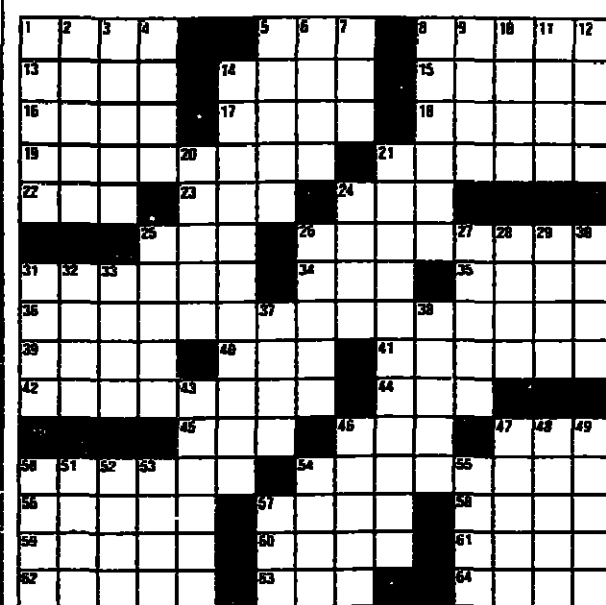
"Kathy, this is your agent calling from New York. Guess what, kiddo? I've just signed the paperback rights for your latest article and I'm negotiating with Universal Studios for the movie rights. There's even talk of you doing another article that can be parleyed into a TV miniseries. Can you believe it?" No. Still, it's more fun than rejection slips.

Then there are the occasional wrong number calls. It's particularly amusing when they don't realize they've reached the wrong number...the things some people say on the phone!

Nevertheless, as entertaining or even profitable as some of the lucid calls are, they hardly outweigh all the recordings of grunts, incomprehensible stutters or plain old silent pauses. I sometimes wonder whether the answering machine really earns its keep. After all, it is nicer to leave a message with a human, even if you know the information won't be relayed correctly. And there was always a slight sense of adventure in returning a call, not having the faintest idea at times whom I was calling. Although the maid system was less efficient, it was certainly more stimulating.

Besides, the maid did something that the answering machine refuses to attempt: she ironed.

TODAY'S CROSSWORD



- ACROSS**
- 1 Didn't sink
 - 5 Concorde, e.g.
 - 8 Clergyman's residence
 - 13 "What Price Glory" actor
 - 14 Engrave
 - 15 More aloof
 - 16 Publishing abbr.
 - 17 Haulage vehicle
 - 18 Backward
 - 19 Part of a twin set
 - 21 Large quantities
 - 22 "This — up"
 - 23 Race segment
 - 24 Struggle
 - 25 Melody
 - 26 Tedious
 - 31 Egyptian talisman
 - 34 Sum: Abbr.
 - 35 Namesakes of a Stowe heroine
 - 36 Detective Charlie's creator
 - 39 Poker stake
 - 40 Prepare flax
 - 41 Gradation
 - 42 Answering machine playback
 - 44 Salt, in "Paris"
 - 45 Harden
 - 46 Surprised exclamation
 - 47 Sapphire, e.g.
 - 50 Damsel
 - 54 Keep intact
 - 56 Quechuan
 - 57 Buddy
 - 58 Famous
- DOWN**
- 1 Piece of cake
 - 2 "Ring" role
 - 3 Prize
 - 4 Canasta play
 - 5 Sandal feature
 - 6 Read rapidly
 - 7 Quaker possessive
 - 8 Fata morgana
 - 9 Sizzling serves
 - 10 Twits, to Brits
 - 11 Dried and withered
 - 12 Love god
 - 14 Dummy
 - 15 Charlie's voice
 - 20 Tale of Troy
 - 21 Actor Charlie's father
 - 24 Tree part
 - 25 City on the Rhine
 - 26 Bakery products
 - 27 "Love Story" author
 - 28 Baker's need
 - 29 Playwright
 - 30 To be, to Caesar
 - 31 Joiner's groove
 - 32 Sugar source
 - 33 Crafts' partner
 - 37 Rod attachment
 - 38 Conjecture
 - 43 Means

GOREN BRIDGE

BY CHARLES GOREN AND OMAR SHARIF
WHOSE TRICK?

East-West vulnerable. South deals.

NORTH		EAST	
♠ 9 7	♠ A K 9 2	♠ 10 7 5	♠ A K 10 8 6 5
♥ K 3	♥ Q 6	♥ J 3	♥ Q J 10 9 6 5
♦ K J	♦ Q 4 3 2	♦ 9 8 6	♦ Q J 4 2
	♣ 10 8 7 5 4		♣ 8 4 2
	♣ A		

The bidding:
South Pass West 1 ♠ North 1 ♠ East 1 ♠
2 ♣ Pass 3 ♣ Pass

Opening lead: Three of ♠
Trumping your partner's ace could make you the subject of ridicule. Nevertheless, there are times when it is the only right play. This hand is from the recent Spring North American Championships, held in Buffalo.
Since he was a passed hand, South could afford to bid his ratty suit at the two-level. North had a good deal in reserve for his raise to three hearts, but he knew that his partner was bidding competitively.
West made the normal lead of his singleton in partner's suit. East won the king and continued with the ace. Had West routinely discarded, the contract would have been safe. On

the third spade, if West ruffed low, declarer would overruff in dummy; if he ruffed high, declarer would discard a diamond.

Either way, the defenders would never get more than four tricks. However, several defenders rose to the occasion. They ruffed partner's ace of spades to shift to the queen of diamonds. If declarer covered, East would win the ace and return the suit, and a third diamond would ensure a trump trick *en passant* for the defenders. If declarer ducked in dummy, East would win the second diamond and shift back to spades. This time West would ruff the third spade with the queen of trumps, and when dummy over-ruffed East's jack of trumps would be promoted to the setting trick. Accurate defense forced declarer to a position where his only choice was how he would get beaten!



"And don't worry about Jennifer. She'll be in good hands."

ANSWER TO PREVIOUS PUZZLE

CHAD BASIS SLIM
HALE ULENT PICA
ASTA SPACE OVER
RHODE ISLAND REDS
BAN ORE
DELETE LOGE THE
ELIA SLAB DARED
GELT SENOR UANG
AMASS AQUE TIRE
SIC HARE ADDNIS
SAD DOC
ORANGEN NEW JERSEY
VOTE PAREU ACRE
TITER TIMES TALL
DEED SLEPT STEP

By Judy Byrne

Are you the best or worst of enemies?
Is it dangerous to cross you? Or a pushover to push you around? And when you are scorned are you a specialist in revenge?
Do this quiz to find out how you rate on getting your own back.

1. Your love confesses he or she has been unfaithful. Do you feel like:
a. screaming?
b. weeping?
c. blaming yourself?
d. crawling into a dark hole?
or e. running over them?
2. What would you actually DO after learning your partner has been unfaithful?
a. Pretend nothing had happened
b. Talk about it?
c. Yell about it?
d. Woo them all over?
or e. Cover them with a plate of spaghetti?
3. Do you think revenge is:
a. disgusting?
b. unworthy?
c. bad for you?
d. therapeutic?
or e. satisfying?
4. Think of the times you have wanted to get your own back. Did you:
a. think of dozens of examples?
b. think of half-a-dozen?
c. recall only one or two?
or d. not remember any?
5. When you were "thinking back" for the previous question, did you:
a. still feel angry about the incidents?
b. still feel that your anger was justified but find the heat had gone from your heart?
c. feel foolish at how angry you once were?
or d. find you could not recall feelings of real anger at all?
6. For her
You hear of a spurned woman who takes revenge on her former partner by cutting one leg off each pair of his trousers and one arm from each of his jackets. Do you think:
a. he deserved it?
b. whether he deserved it or not she shouldn't have done it?
c. she should have done something, but nothing quite as serious?
or d. she should not have stopped her scissors when she finished with his clothes?
7. For him
You read about the same

Best of foes?



woman in question six above. Do you think:

- a. he should do the same?
- b. he should put it down to experience and forget it?
- c. he should take his revenge some other way?
- d. he should have given her a really good fright?
- e. How have you lost most of your friends? Did you:
a. just drift apart over the years?
b. get dropped by them?
c. drop them because you no longer felt you had much in common?
d. want no more to do with them after a row?
or e. never split up with a really good pal?

9. Do you make decisions:
a. in a split second?
b. easily — but you like to think first?
c. only when you need to?
or d. only if you absolutely have to?
10. Do you like to work:
a. on your own?
b. mostly on your own?
c. some of the time alone, some with other people?
d. mostly as part of a team?
or e. only if you absolutely have to?
11. You see something suspicious going on at the house across the road. The owners are away. But you have had a big row with them a few weeks earlier. Would you:

- a. go over and investigate?
- b. call the police?
- c. draw the attention of another neighbour to it?
- d. consider doing nothing but let your better nature influence you in the end?
- e. do nothing — and hope for the worst?

12. You hear that a friend has broken a confidence. Do you:
a. ask them for their side of the story?
b. confront them?
c. drop them?
d. vow never to speak to them again?
or e. start spreading equally damaging stories about them?
13. Do you think people who show their feelings easily:
a. must be strong to risk it?
b. must be weak not to control it?
c. leave themselves foolishly vulnerable?
d. are uncomfortable to be around?
or e. have no real psychological stamina?
14. If a shop assistant was rude to you, would you:
a. tick them off?
b. threaten to report them?
c. try to get them sacked?
d. feel annoyed for hours but do and say nothing?
or e. forget it five minutes later

15. Can you imagine having a row with a member of your family and not talking to them:
a. for more than two weeks?
b. for between two weeks and two months?
c. between two and 12 months?
d. between one and five years?
or e. for more than five years?

Now see how you scored:

	a	b	c	d	e
1.	15	10	0	5	20
2.	0	10	15	5	20
3.	0	5	10	15	20
4.	20	15	5	0	—
5.	15	10	5	0	—
6. or 7.	10	0	15	20	0
8.	5	10	15	20	0
9.	15	10	5	0	—
10	20	15	10	5	0
11.	5	0	5	10	15
12.	0	5	10	15	20
13.	0	5	15	10	15
14.	10	15	20	5	0
15.	0	10	15	20	25

What your score means

0 — 95:
You like to let sleeping dogs lie, so much so you'd administer an anaesthetic yourself rather than let an unpleasant situation linger.

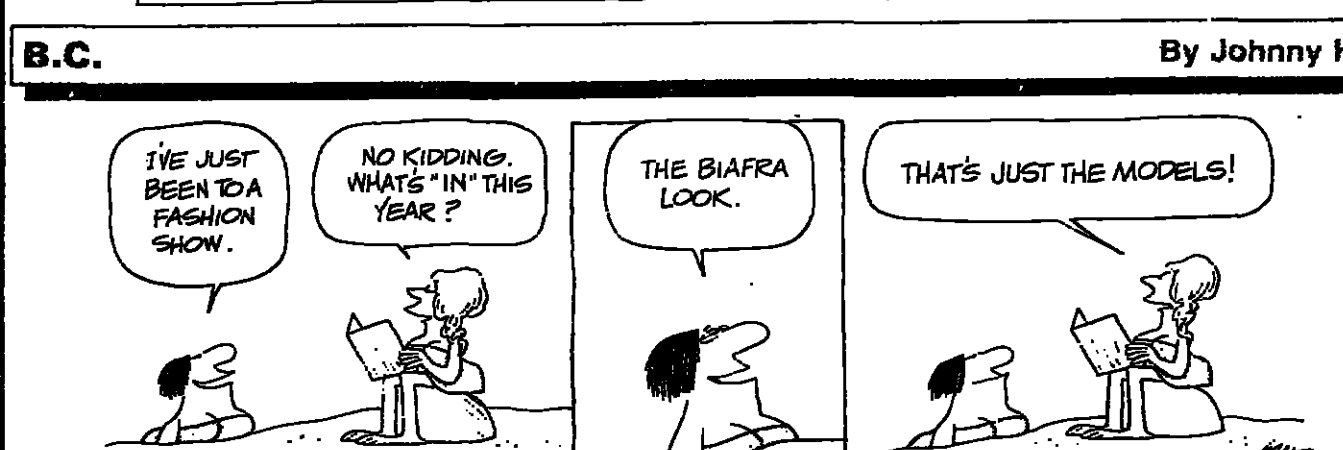
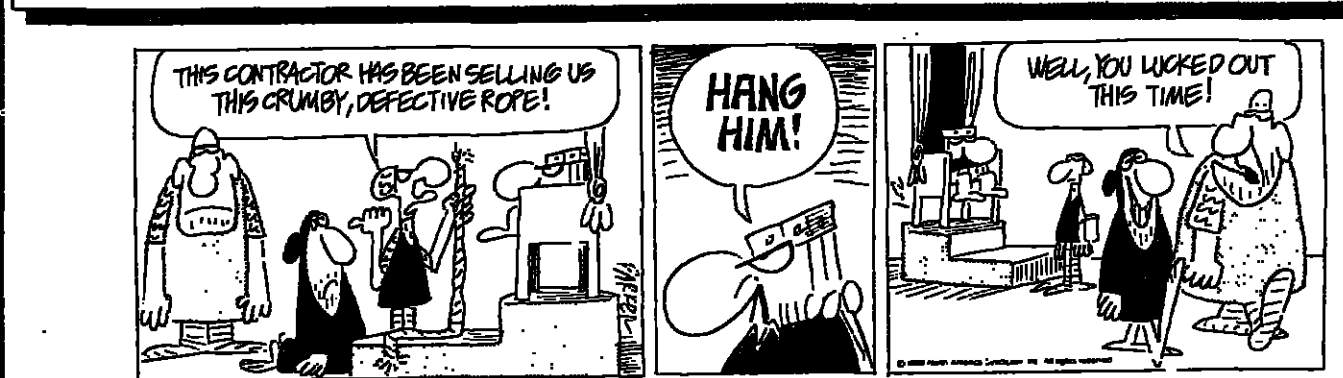
It is not good to have long-running revenge locked inside you. It tends to hurt you rather than the other person. You prefer to get on with living. But turning the other cheek can go too far. Make sure you don't become a doormat. Beware! You could find people walking all over you.

100 — 195:
You can get a healthy rolling boil when someone has done you a wrong. You don't like people pushing you around. But you soon simmer down after losing your temper. You are a well balanced individual. You're not likely to let revenge affect your own life. Stay as sweet as you are.

200 — 280:
You are a revenge junkie. You are quick to anger but slow to forgive. You let wrongs burn a hole in your soul for as long as it takes to have evened the score. A bit of adrenalin can be useful as fuel. But you are keeping yourself high on hate. Watch out! It could do you more harm than your intended victims.

THE WIZARD OF ID

By Brant Parker and Johnny Hart



YOUR STARS

- Aries** (March 20 - April 18)
You will feel somewhat nervous and you must work hard to deal with certain obstacles. You should do your utmost not to give the wrong impression.
- Cancer** (June 21 - July 21)
You are in a transitional phase but you will be able to get things properly organised nonetheless. You should however be sure that you do not take any needless risks. Keep your objectives clearly in mind. Be alert.
- Libra** (Sept. 22 - Oct. 22)
You should not simply accept what is given to you without giving anything in return. You will be a little more persuasive but you will not be able to get your way in all things. You should try to see what is right and do what is fair.
- Capricorn** (Dec. 22 - Jan 19)
You will tend to over-dramatise things and should try to resist the tendency. With a little goodwill you will be able to overcome what could have turned into a rather nasty situation. You should beware of believing everything you hear.
- Taurus** (April 19 - May 19)
You will be able to do something you have meant to do for some time now. You should do your best not to let a friend of yours down. A little more commonsense is needed just now. Be sensible.
- Leo** (July 22 - Aug. 21)
You will not be quite at ease with one of the people with whom you have to deal. You should not become involved in something that does not really concern you. Have a good laugh at yourself. Be a little more optimistic.
- Scorpio** (Oct. 23 - Nov. 21)
The Moon's more favourable influence will make it easier for you to concentrate. You will have to keep your wits very much about you. You will be able to avail yourself of a good opportunity. Be cordial.
- Aquarius** (Jan. 20 - Feb. 18)
Try to avoid getting bogged down in negative reflections. You should welcome change rather than being categorically opposed to it.
- Gemini** (May 20 - June 20)
You must act fast if you do not want a good opportunity to slip by you. Your personal situation requires more of your attention. Make sure you take regular but not too hectic exercise. Be a little more optimistic.
- Virgo** (Aug. 22 - Sept. 21)
You should not allow your personal life to take a backseat. You will be able to make up for lost time. You will also be able to make peace between two friends of yours who have quarrelled. Be less obstinate.
- Sagittarius** (Nov. 22 - Dec. 21)
Today you will feel rather more sure of yourself and this will help you to achieve good results. You must make sure you do not base your actions on wrong assumptions. Do not allow yourself to be distracted. Be reliable.
- Pisces** (Feb. 19 - March 19)
You will be better able to deal with practical matters. You should make quite sure you have got your facts right. And you should avoid jumping to conclusions. Be a little more generous.

FASHION

Fantasy on show

By Peggy Polk

ROME (UPI) There is more going on than the miniskirt in Italian high fashion for next winter — and a lot of it is pure fantasy.

In Rocco Barocco's collection there are togas, laurel leaves and extravagant aprons that will never see the inside of a kitchen. Raniero Gattinoni drew his inspiration from J.M. Barrie and fairy tales.

Despite large-scale resistance on the part of American women, both designers kept their hemlines high, sometimes as much as a hand's span above the knee. Shoulder pads continued their disappearing act and the sweetheart neckline of the 1950s is making a comeback.

Barocco clearly was inspired by the setting for his show on July 18 which opened five days of Italian high fashion for fall and winter. It was Michelangelo's Campidoglio, or Capital Square, overlooking the ancient Roman Forum.

Favourite

The designer, a transplanted Neapolitan who is a favourite of Italian actresses and the wives of politicians, picked up the Roman theme with crowns of gilded laurel for hats. Roman lettering for border prints and glittering medallions of Roman emperors.

The ruffled dresses were cut on the diagonal from mini to mid-calf with a panel of brilliant silk sweeping from the right-hand skirt seam to over the left shoulder.

Barocco's ruffled taffeta aprons of black and white plaid or check, were worn over miniskirts of black velvet with fitted jackets that had little peplums and low sweetheart necks.

Bright red or green aprons with snug midriffs and straps went over strapless bras of black lace.

Structurally, the designer's most interesting idea was the



Italian designer Valentino presented a checked woolen coat from his autumn-winter collection.

double peplum. He showed a fitted jacket with a very full three-quarter-length peplum topped by a short full peplum and worn with a narrow miniskirt, each part in a contrasting print.

Newest

Gattinoni, who at 35 is Italy's newest and youngest couturier, presented his second collection the following day in the Teatro la Cometa, a bijoux theatre at the foot of the Campidoglio.

The models emerging from the enchanted forest painted on the scrims wore over-the-knee suede boots with miniskirts or narrow velvet knickers for a Peter Pan look.

There was applause for a waist-length belted mink cape with a big collar worn with a

three-layer mini-skirt in alternating patterns of roses and scrolls and the tall boots in brown suede.

Snug Jackets with set-in sleeves had peplums cut in a zigzag or like leaves. Over-the-knee cocktail dresses of purple, claret or deep brown velvet had sweetheart necks or strapless heart-shaped tops.

Gattinoni put fur trim on little riding hood coats and for evening he showed long, narrow dresses of firehouse red silk constructed of shirring on the diagonal.

Gianfranco Ferre builds his high fashion collection for next fall and winter on the juxtaposition of opposites, like utilitarian flannel and extravagant fur.

Ferre has stayed loyal to short skirts but none of his hemlines are much above the knee. His shoulder-padding is moderate and his trousers are usually narrow and just to the ankle.

The Milanese designer, who came to fashion by way of architecture, keeps the rigorous tailoring epitomized by his classic sheath dress at the foundation of the line he showed on July 20 at the Grand Hotel.

But next season's short little sheath is wrapped on the diagonal, opens into a big folded ruffle down the front or has wide crushed sleeves and is worn with long suede gloves full above the elbow.

A simple fitted coat of banker's gray flannel is bordered in matching gray fox from the hem almost to the waist while a full-cut gray flannel coat has wide fox cuffs above the elbow. Gloves cover the rest of the arm.

Pale Ecu, unexpectedly enlivened by precious chin-chilla, is Ferre's other daytime colour, and he also used mohair for coats.

For evening the designer liked velvet in shades of wine like burgundy or claret, a terra cotta and black paisley print and a silvery Prince of Wales plaid.

His short, neat jackets had masses of applied satin roses and ropes, tiny beads that looked like a dusting of hoarfrost, dangling multicoloured fringe and fur borders.

His supreme study in contrasts was a ballgown made of layers and layers of floor-length pleated, ruffled black tulle petticoats covered by pink silk and curving up in front to show off a strapless mini-sheath of austere black velvet.

The collection that Pino Lancetti showed later that evening in the garden of the 17th century Palazzo Pallavicini had an ornate fin de siècle look with braid applied on



An evening dress presented by Sarli of Rome.

jackets and coats and feathers, velvet, lace and jet much in evidence for evening.

For the first time in recent years there were no miniskirts in the Lancetti collection. Instead,

he showed a number of bias-cut skirts with the hem at midcalf and billowing three-tier coats.

Like Ferre, fellow Milanese designer Mila Schoen showed a



Evening dresses by Mila Schoen.

lot of fur in her collection the following day at the Excelsior Hotel. She used mainly fox and mink for scarves, stoles, borders, cuffs and velvet jacket edged in black satin with a big

double collar of pleated, ruffled white organza worn over a narrow knee-length black dress with a belt the colour of orange sherbet and a glittering rhinestone buckle.

New Vogue queen chosen

By Liz Smith

"WHY Don't You . . . rinse your blonde child's hair in dead champagne to keep it gold as they do in France?" or pat her face with cream before she goes to bed as they do in England?" The unique vocabulary punctuated with superlatives of that memorable Vogue editor and grandest of Grandes Dames, Diana Vreeland, may be as arcane today as a sixties fashion spread, but it still retains the power to stir fashion-seekers to paroxysms of excess.

Does the mere appointment of the editor-in-chief of American Vogue always create a legend? The editor's office at Vogue's headquarters on Madison Avenue, a deep lacquer red when Vreeland was delivering her bon mots ("Pink is the navy blue of India," and so on), is about to be occupied by an editor with equal energy and conviction, a woman with as distinctive a personal style as Vreeland, and with a Biedermeier sofa that she is ready to move into the editor's office to stamp it instantly with her taste.

Ruthlessness

Anna Wintour, new editor-in-chief of American Vogue and a woman as reserved as Vreeland is exuberant, is at 39 already a legend on both sides of the Atlantic. Her disciplined Louise Brooks glossy bob, dark glasses and Chanel wardrobe, the trans-Atlantic marriage that involved shutting by Concord the home in New York and husband Dr. David Shaffer, chief of the child psychiatry unit at Columbus Medical Centre, and London, where she edited British Vogue; her babies, a son and daughter, whose birth scarcely caused a hitch in her work schedule; the journalistic ink in her blood (her father is Charles Wintour, the respected ex-editor of The Evening Standard); all have helped create the legend.

Whereas Vreeland was once described by Cecil Beaton as "a combination of Madame de Sevigne and Falstaff, the warmth and loyalty otherwise shown by Wintour to friends is



Anna Wintour: "I never feel I belong in England. I always was an outsider."

masked at work by a chilly ruthlessness. "Nuclear Wintour" is how her reign as head of British Vogue, where she sharpened the fashion and shortened the features, was described.

She returned to New York in September 1987 to edit House and Garden, which she has quickly reshaped from a decorators' directory into a teasing bible of style called HG. A mere nine months on and Wintour takes over from Grace Mirabella, Vreeland's "mild"

ex-assistant who has edited US Vogue for 17 years. It is a move that has surprised the fashion world only by its timing.

Every move made by Wintour in the past five years is seen as part of her grooming for the job. In 1983 Alexander Lieberman, editorial director at Conde Nast and an admirer of Wintour's fashion pages on New York magazine, created for her the role of Creative Director on Vogue and became her mentor. "He is a genius," she told me recently in New

York. "I work with him every day and learn so much. New York is familiar territory to me. It is a lot less steamy here than at British Vogue. I never feel I really belong in England. I always was an outsider."

What Anna Wintour describes as the "different focus" she has given to House & Garden (a rumpled bed strewn with pugs and books in a playwright's apartment on one HG cover; the restaurateur Michael Chow standing on his head beside an Eileen Grey lacquer pedestal; a Gauguin-inspired needlepoint rug hung on a beach and photographed with a model in Tahitian fashions spreadeagled on it) got a tight-lipped response from Manhattan's touchy architects and decorators.

Focus "The magazine didn't take a stand on anything before," she said. "I always wondered who ever lived in those rooms. The focus must be on personal style rather than photographing interiors."

Sometimes say that HG's resulting fall in circulation precipitated her move to Vogue, a shift about which Wintour said not so long ago: "Unless Grace Mirabella decides to go to the country and grow roses, they would be mad to replace her."

With Tina Brown editing Vanity Fair, and Wintour now heading Vogue, two British women, friends and rivals, today rule New York's frenzied social and fashion worlds. Nicholas Coleridge, editor of Harpers & Queen, adds a different edge to the impact Manhattan's new pair of taste-makers have had on the publishing business. "Both of them have a sort of sexual aura. It has something to do with being powerful and determined while appearing slightly vulnerable," he says. "Neither minds taking strong decisions. They don't mind rocking the boat. The magazine matters more than the people involved."

Women's Wear Daily's publisher, John Fairchild, has watched Anna Wintour's rise to power with awe. "She's a bit like me, a real journalist," he says admiringly. "I have a big crush on her."



Rocco Barocco creation.



A black and white evening dress presented by Valentino on the closing day of the 1988/89 Autumn-Winter High Fashion Show in Rome.

FAMILY DOCTOR
By DR ALLAN BRUCKHEIM

QUESTION: Recently I have had severe headaches requiring me to consult a specialist. I was diagnosed as having "cluster headaches." They lasted for a month continuously, before they left. I understand they can come back. What causes them and is there treatment other than antihistamines and pain pills?

ANSWER: This type of headache was named for the manner in which they occur, attacking the patient in episodes that come in groups or clusters. Their cause remains puzzling to the medical community. We do know that they seem to be aggravated by certain substances that cause blood vessels to enlarge, like alcohol, nitroglycerin and certain foods. They affect men more frequently than women and they usually first appear between the ages of 20 and 40.

The headaches themselves come on abruptly, creating a severe burning pain around the eye which can last from a few minutes up to four hours, but usually last for 30 to 45 minutes. Sometimes they are accompanied by a drooping of the eyelid, a narrowing of the pupil, sweating, red eye and flushing of the face on the same side as the headache. In many cases only some of

these symptoms may occur. Most people will experience the pain a few times a day and this may continue for weeks or months. The two most commonly used therapies to decrease or relieve the pain are ergotamine and oxygen. Ergotamine is a drug that can be taken under the tongue and is about the easiest to use. One hundred per cent oxygen inhaled for about 15 minutes also seems to provide relief but this is a cumbersome treatment as it is not easy to carry the necessary equipment about with you. It's not an easy disease to treat and there are moments of frustration for both the patient and physician. The best counsel I can offer you is to understand your condition thoroughly and follow the advice of your physician carefully. You will want every possible factor to work in your favour to prevent the frequent recurrence of this distressing disease.

QUESTION: My physician always has advised a regular chest X-ray examination. But my lungs are no problem to me. What can the doctor see on this examination that would make it worthwhile?

ANSWER: While the chest X-ray is a fine examination of the lungs from at least one

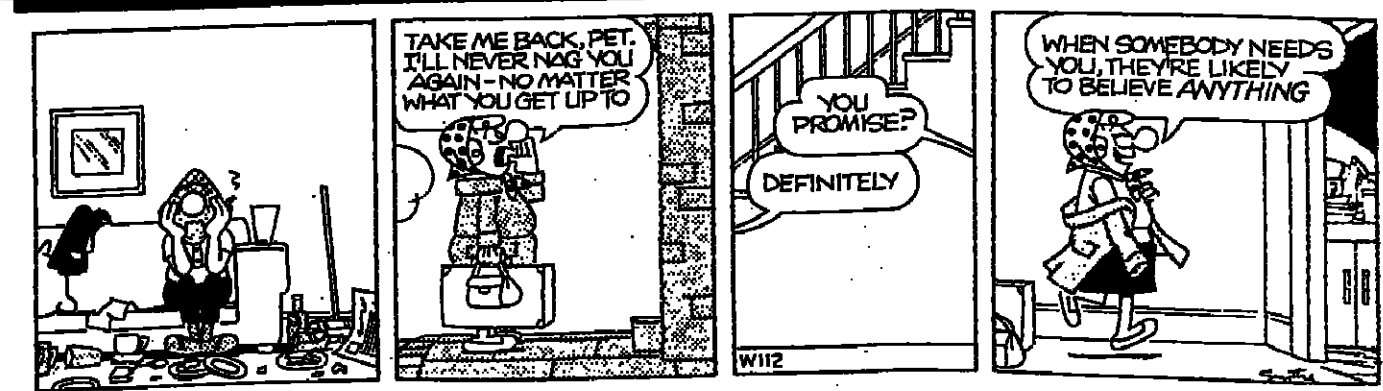
point of view (the other is pulmonary function tests that tell us how lungs work, rather than how they look), there are many other organs and structures that may be viewed and evaluated from a routine chest film. The physician can see the ribs, the clavicles (collarbones) and the breastbone (the sternum). Thus an idea of bone structure health is one possible gain. The heart is outlined in a chest X-ray, and an enlarged heart is easily diagnosed as well as many other heart abnormalities. Lungs and the tissues that surround both heart and lung can be evaluated, plus the presence of any fluids, growths or infections.

One of the real values of regular routine examinations is that the physician can compare one year's result to a previous examination, and thus detect any important changes that may occur. We all know that medical costs must be controlled, so that the usefulness of such an examination must be calculated against possible savings that we can obtain from early diagnosis and treatment of newly developing diseases that can be the most valuable outcome of all.

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ANDY CAPP

By Smith



BUSINESS & FINANCE

UK to lose \$520m from oil rig disaster

LONDON, July 26, (OPEC-NAT). The Piper Alpha oil rig disaster, which killed 167 workers earlier this month, will cost Britain almost \$520 million this year in balance of payment losses, Energy Secretary Cecil Parkinson announced here on Monday.

He told the House of Commons that the current shutdown of the six platforms represented a loss of 12.5 per cent in UK oil production and one per cent in gas output.

He pointed out that the five platforms linked to the destroyed Piper Alpha — the Claymore, Highlander, Petronella, Scapa and Tartan fields — would be back in production in a few months.

Loss
He discounted reports that the total loss of revenues would be as high as \$860 million, stating that this figure was arrived at on the basis that the five platforms would be out of commission for the rest of the year.

An independent report said earlier that the accident could raise the North Sea oil industry's insurance premiums and fixed operating costs by 10 per cent and five per cent respectively.

The development of new fields may also be disrupted until the government completes its inquiry into the disaster, the world's worst ever offshore oil accident.

Subroto for UAE to discuss boosted oil output

ABU DHABI, July 26, (Reuters). OPEC secretary-general Subroto will arrive in the UAE tomorrow to discuss its decision to boost oil output to nearly 50 per cent more than its OPEC quota.

UAE Oil Ministry sources said Subroto would discuss with UAE Minister Mansour Al Otaibi the effects of the UAE's increased production on world oil markets.

Oil industry sources in the region said last month, the main producing emirate of Abu Dhabi had authorised the pumping of 1.1 million barrels per day (bpd), bringing total UAE output to 1.5 million. The country's quota laid down by the Organisation of Petroleum Exporting Countries (OPEC) is 948,000 bpd.

Move
News of the move was a major factor in bringing oil prices down by around one dollar a barrel in June.

The Middle East Economic Survey (MEES) said a planned meeting of OPEC's price monitoring committee on August 3 might depend on the results of Subroto's visit to the UAE.

The five-member panel — comprising Saudi Arabia, Indonesia, Venezuela, Nigeria, and Algeria — can call a full meeting of OPEC if it decides spot prices have deviated too far from the official benchmark of \$18 a barrel.

Subroto, who is in Saudi Arabia for the Muslim hajj pilgrimage, is due to deliver a letter to UAE President Sheikh Zaid Bin Sultan Al Nahyan from OPEC president Rihwanu Lukman expected to urge production restraint.

Amoco posts record profits in second quarter

CHICAGO, July 26, (AP). Amoco Corp. earned a record profit in the second quarter and saw dramatically improved results in three of its four major operating divisions, the company said yesterday.

Amoco reported net income of \$667 million, or 2.59 per share, for the three months ending June 30, compared with \$311 million, or 1.22 per share, for the same period a year ago.

Revenues in the second quarter totalled \$6.2 billion, an 8 per cent increase over the \$5.7 billion from the same period last year, Amoco said in a statement.

The results include one-time gains totalling \$186 million from the settlement of disputes involving several national gas contracting and a \$50-million charge for estimated claim liabilities from its insurance company.

Profits
For the first half of 1988, Amoco reported profits of \$1.14 billion, or 4.41 per share, compared with \$711 million, or 2.24 per share, for the first six months of 1987.

First-half revenues totalled \$11.9 billion compared with \$10.9 billion a year earlier.

Demand for energy is rising

Egypt steps up oil, gas hunt

CAIRO, July 26, (Reuters). Egypt has stepped up its hunt for oil and natural gas, hoping to postpone the day — perhaps only a decade off — when it may have to import oil.

With a population of 52 million growing by more than one million a year, demand for energy is rising. At the same time, planners fear electricity shortages because drought could cut generating capacity at the Aswan high dam across the river Nile.

Egypt already uses half its 870,000 barrel per day output and exports 190,000 barrels daily. The State Egyptian General Petroleum Corporation (EGPC) swaps the rest to foreign oil companies for refined oil products like jet fuel.

"The key thing the oil industry's going to have to ask is how

long Egypt will be able to export petroleum," said the managing director of a Western oil company in Cairo.

He said his company reckoned Egypt could have 10 to 20 years, perhaps more, before having to import oil.

Crunch
"The crunch is likely any time between 1998 and 2006, based on declining output and increasing consumption without much new discovery," he said.

Egypt signed about 20 exploration deals with oil firms over the past year, ending a two year period during which it approved no new concessions.

It is opening up the gas-rich Nile delta for new exploration concessions, asking for bids by September 15, and has also invited bids by next January for

onshore concessions near the Gulf of Suez.

Egypt awarded concessions last year in the Western desert and last March in the Gulf of Suez — the main oil-bearing area where 20-year-old fields are running down.

In the Gulf of Suez the situation is mature and slowly declining, industry experts say. But in the Western desert, oil may be found in small pockets.

"No one's wildly optimistic," said a Western embassy oil specialist.

Analysts
"It won't be the sort of thing that'll be a bonanza but it could keep Egypt in the 800,000 to 900,000 (barrels daily) zone till the beginning of the next century," he said.

But before then, some oil

analysts see another squeeze coming.

Egypt's oil imports are a major source of foreign currency earnings, badly needed to pay for the imports it needs and to repay its foreign debt. Last year, net oil export revenues totalled \$1.5 billion.

Reserves
But sometime between 1991 and 1993, Egypt may have to choose between cutting its exports or cutting the amount of crude oil it swaps for refined products, paying cash instead.

Natural gas could be the answer. The government is trying to encourage its production.

"Gas is going to have to be used internally to meet the shortfall for the Nile and a bigger demand for energy, as well as to release liquid products for

exports that bring in hard currency," the oil executive said.

Egypt has proven reserves of gas estimated at 10 trillion cubic feet (300 billion cubic metres).

But experts say it is expensive to exploit because it needs long pipeline networks and is believed to lie in small pockets.

Its use will depend on factors such as the power generation budget and whether the government raises subsidised domestic energy prices to world levels, as the World Bank and Western aid donors demand. This would encourage conservation.

Experts say, however, that gas should play an important role. "I expect gas realistically will delay the date when the Egyptians cease to be self-sufficient," the Western embassy specialist said.

Growth is showing signs of slowing under the impact of higher wages

South Korea frets over economy

SEOUL, July 26, (Reuters). All over Seoul, electronic boards count down the days until the Olympics begin on September 17 — but some economists are worried they're also ticking off the closing moments of South Korea's speedy recovery.

"There's going to be a sort of downturn," John Duthie, Deutsche Bank's manager of Korea, told Reuters in an interview earlier this month.

"Whether it will be a short, sharp valley and up again or whether it will be longer term, I don't know."

Most economists think that like a long distance runner, the economy must slow to a sustainable pace to go onwards and upwards.

Doubts
But some admit to lingering doubts about the economy's durability and with it, the country's new found democracy.

For one thing, the slowdown could occur at an inopportune time for President Roh Tae-woo, who has promised to hold a referendum on his rule after the Olympics.

"We are in a very critical situation when economic conditions are likely to change dramatically (from) almost excessive, fantastic growth in the first half to a slowdown in the second," said Oum Bong-Sung, senior consultant to the Deputy Prime Minister Rha Woong-Bae, who is also

Minister of Economic Planning.

Over the past two years, the economy has raced ahead at more than 12 per cent per year, thanks to the triple whammy of a low rate for South Korea's currency, the won, low oil prices and low international interest rates. But in the process Seoul has piled up huge trade surpluses, angering the United States.

Now growth is showing signs of slowing under the impact of higher wages, high domestic interest rates and a higher won rate. All three are combining to make the country's products less competitive on world markets.

Oum said wages rose about 20 per cent last year and were likely to do so again this year. The won has risen nearly nine per cent so far this year, after increasing more than 8-1/2 per cent in 1987.

Uncertainty
"There is a high level of uncertainty or lack of confidence about the economy's ability to adjust to disturbances," said Young Soo-Gil, senior fellow at the government-run Korea Development Institute.

The uncertainty is a result of Seoul's inability, until recently, to chalk up current account surpluses and pay off foreign debt.

"It's like the builder who puts up a house in a day or two. He doesn't want you to look too closely at the joints," a diplomat said.

"Once you get below five per cent (growth), the whole thing starts losing momentum to such an extent it could bring the whole pack of cards down," said Deutsche Bank's Duthie.

Part of the concern about the future is historical. South Korean policymakers, who use Japan as a yardstick to measure Korea's performance, know full well that Tokyo experienced a severe recession after it hosted the Olympics in 1964.

"There is much similarity between the situation we are facing now and that of Japan in the 60's, especially when it hosted the Olympic Games," Oum said.

However, he and other policymakers believe Seoul can avoid the mistakes Tokyo made.

For one thing, the construction build-up to the Seoul Olympics has been much more gradual than it was in Japan. The main Olympics stadium was completed a few years ago and was used to host the Asian Games in 1986.

"There will be a slowdown in the growth rate," said Young-Soo-Gil. "But we don't think this will be due to the Olympic Games."

Competitiveness
Rather, the slowdown will be the result of deliberate government policy to stop inflation before it picks up steam and to reduce South Korea's huge trade surplus, he said.

"The price competitiveness of

Korean exports will be hurt and some marginal firms will go bankrupt," said Oum. "But overall, that's what we want, isn't it? We want to adjust our industrial structure (away from exports)."

"Even if the economy may slow down in the latter half of the year on average we expect this year's economic growth to be around eight to nine per cent," Oum said. "Who can say that's a recession?"

Just to make sure that one does not develop, the government has served notice that it will slow down the appreciation of the won and accelerate already planned spending on roads and housing for the poor.

"They (the government) can always find one way or another ... to keep the (economy) cracking along at fast enough a pace," said William Sloops, director of US broker Citicorp Scrimgeour Vickers.

Restructuring
Oum said the economic restructuring was needed to put the economy in better shape for the future.

"I don't see the economy dropping back to a meagre five to six per cent (growth rate)," said Thomas Brown, president of the American Chamber of Commerce in Korea.

"We're used to double digit growth here, but it could very well be seven to eight per cent in '89 and '90."

Bangladesh and Pakistan to sign trade pact

DHAKA, July 26, (UPI). Bangladesh and Pakistan will soon sign a two-year, \$50 million special trade agreement, Pakistan's Finance and Commerce Minister Mahbubul Haq said today.

Haq made the announcement following two days of official talks with his Bangladeshi counterpart, adding that Pakistan offered to loan Bangladesh \$50 million, with a 15-year repayment period at two per cent interest.

Haq said Bangladesh intends to use the loan to import machinery and commodities from Pakistan.

Haq said Pakistan also has agreed to supply Bangladesh with 100,000 tons of cement and 30,000 tons of sugar, both of which are in short supply in Bangladesh, he said.

New oil projects

BAGHDAD, July 26, (OPECNA). Eight new oil projects have been commissioned in southern and central Iraq at a cost of nearly \$2 billion, it was announced here on Sunday.

The projects will contribute to the growth of the country's oil production and refining capacity.

Four new oil projects had their foundation stones laid on the 20th anniversary of the July 17 revolution which was celebrated last week.

Reuters reports half-year pre-tax profits up 26.2pc

LONDON, July 26, (Reuters). Reuters, the news and financial information organisation, reported a 26.2 per cent rise in pre-tax profits for the first half of 1988 today.

This was despite a sharp fall in revenue from trading room systems after last October's stock market crash.

Reuters Holdings PLC said its half-year pre-tax profit was \$102.9 million, compared with \$81.6 million in the first half of 1987.

Clients
Revenue was up 17.7 per cent to £471.4 million compared with £400.4 million in the 1987 first half.

Managing director Glen Renfrew told a news conference: "We do not expect to maintain the first half growth rate in pre-tax profits for the full year unless

sterling loses some of its strength against our major trading currencies."

Renfrew also said: "Some major clients continue to trim their costs but new subscribers are being added at a record rate."

As well as information, Reuters sells other products, including trading room systems which enable clients to have a variety of sources of information.

Renfrew said orders for trading room systems were sharply down last year in the United States and Britain but were good in continental Europe and Japan.

"It was Wall Street and London that now, in retrospect, appear to have overbuilt in the trading room area," Renfrew said.

World Business Summary

Congress urged to raise funds for World Bank

WASHINGTON, July 26, (Reuters). US leadership in the World Bank will be weakened and the future of the lending agency threatened unless Congress ratifies a capital increase, former Federal Reserve Board chairman Paul Volcker said on Monday. The World Bank would view US failure to subscribe to the \$74.8 billion in new capital as a vote of no confidence, and its lending would decline at a critical juncture for the Third World, Volcker told a press conference. "With enfeebled US influence over a number of years ... my concern is that it would ultimately undermine the bank itself," he said. The United States is one of 11 countries, including Libya and Vietnam, that have not endorsed the capital increase which is needed so the bank can increase annual lending to \$20 billion by early next decade from \$15 billion now. The increase will take effect regardless of what the United States does, because 140 of the bank's 151 members have already given their approval. But if Congress failed to authorise funds, the US share of the bank's capital would fall from just over 18 per cent to about 11 per cent, depriving it of its veto power. Volcker said he was worried that, if the house banking committee did not take up the issue soon, chances of approval this year would be slim because Congress planned to adjourn in October to prepare for November's elections.

And there would be no reason to hope that lawmakers would authorise the funds next year. "The danger is there'll be less sense of momentum, of coherence, of need next year if it doesn't pass this year, the former Fed chief warned. A house banking subcommittee has authorised the cash, totalling \$70 million a year over the next six years, but subject to several conditions, sponsored by Democrats, that would nudge the World Bank toward doing more to ease the Third World's \$1.2-million debt burden.

Bank of America predicts slower world growth

SAN FRANCISCO, July 26, (AP). The pace of economic expansion will decrease next year, but the slowdown will not mean weakness in the world economy, a Bank of America economist said yesterday.

Instead, the United States and other countries that will experience strong but "significantly" slower growth will be returning to a more stable rate of expansion, said John Oliver Wilson, the bank's senior vice president and chief economist.

In its new international financial and currency markets report, the San Francisco-based bank says the rate of global expansion will slow to 2.8 per cent in 1989, down from 3.4 per cent in 1988. "But while the global economy will slow next year, this still will be the seventh straight year of positive real growth," Wilson said in a statement. Economic expansion this year will be especially strong, particularly for the United States, Japan and United Kingdom, according to the report. "But while their growth rates will be significantly lower in 1989, it does not indicate economic weakness for these countries, or for the global economy as a whole," Wilson said. "Rather, these three countries will be returning to a more stable and sustainable growth rate in 1989," he said. "And the global economy will be operating slightly below its estimated equilibrium, or sustainable, growth rate of 3.1 per cent."

Different rates of growth in different regions pose different monetary and fiscal problems, Wilson said. Asia and North America, which will be returning to equilibrium after performing well above that mark this year, must slow down growth without plunging their economies into a recession, he warned.

India plans to set up five fertilizer plants in Gulf

NEW DELHI, July 26, (KUNA). The Indian government plans to set up five gas based fertilizer plants in the Gulf nations in collaboration with some well-known multinational companies. According to official sources a lot of work has been done to identify the possible locations of the units as well as their ownership pattern. In four out of five, the Indian government will have minority shareholding while in the Abu Dhabi unit it will hold majority of shares. An exercise is on to finalise size of each venture. What promoted the government to set up fertilizer plant in the Gulf countries is the easy accessibility of the low cost capital and cheap rates at which gas is being sold in the region. On a rough estimate it will be possible to set up a 1,000 tonnes per day ammonia urea plant in the Gulf at a cost of \$250 million. Besides availability of raw material, transport cost is meagre and the Gulf offers facilities of tax free import of goods. It would need at least \$500 million in India to set up such type of plant, taking into account the heavy taxes and high interest rates.

What actually fits the scales in favour of the overseas project is the low cost of gas in the Gulf. It is felt that the effective utilisation of gas from Oil and Natural Gas Commission (ONGC) wells is out of question because of high rates. The ONGC charges for a million British Thermal Units (BTUs) is equivalent of \$5 as compared to \$0.5 in the Gulf countries. However, some experts have advised the government not to take any hasty decision in setting up projects abroad.

Hungary to open limited stock exchange in 1989

BUDAPEST, Hungary, July 26, (AP). Hungary plans to open a stock exchange in Budapest next Jan 1 that would be founded as a limited company with only members permitted to buy and sell shares, the head of the Securities Trade Secretariat was quoted yesterday as saying. In an interview with the government daily Magyar Hirlap, Ilona Hardy said the financial institutions that conduct weekly "dealers days" begun at the start of this year would discuss the establishment of a self-governing council and an ethics committee at a meeting today. Hardy said the founding of a closed joint stock company could be followed by the transformation of other companies into joint-stock companies with the stock exchange establishing their value. The planned stock exchange — much more limited than Western stock markets — is to open at the same time that a new law on companies goes into effect. The new law, which is still in the drafting stage, is to be presented to parliament for approval in the fall. It is to put state, co-operative and private enterprise on an equal footing and limit state monopoly in some areas. Hardy said about half of the securities issued in the first six months of the year, valued at the equivalent of about \$74 million, have been sold on secondary markets.

Exxon net earnings up

NEW YORK, July 26, (UPI). Exxon Corp., the largest US oil company, yesterday said its second-quarter net earnings were \$1.20 billion, or 90 cents a share, up 4.3 per cent from a year ago.

Quarterly revenues rose to \$21.63 billion from \$2.66 billion, or \$1.96 a share, up from \$2.22 billion, or \$1.56. Exxon said capital and exploration spending jumped 45 per cent to \$1.805 billion from \$1.241 billion in the corresponding 1987 quarter. Net for the 1987 second quarter was augmented by non-recurring credits that added \$170 million, or 12 cents a share, that were not available for the most recent period. Exxon chairman L.G. Rawl said the company's earnings were higher in its refining and marketing, chemicals, minerals and power generation operations, more than offsetting diminished exploration and production earnings and the special items in the 1987 period. The executive said US and overseas product sales volumes rose in the quarter in response to increased demand for petroleum products. The combination of stronger margins and volumes helped restore refining and marketing operations to more profitable levels, he noted. Exploration and production earnings totalled \$703 million, down \$183 million from the second quarter of 1987, Exxon said.

MEXICO CITY, July 26, (AP). President-elect Carlos Salinas de Gortari is counting on concessions from Mexico's foreign creditors so he can fulfill an election promise of economic expansion.

It is a pledge Salinas cannot afford to ignore. Voters sent the ruling Institutional Revolutionary Party, or PRI, a strong message when they elected Salinas on July 6 with a little more than half the vote — far below the PRI's traditional minimum of 70 per cent.

Austerity
Many here are pointing to the impressive vote total run up by leftist coalition candidate Cuauhtemoc Cardenas, 31.12 per cent by the official tally, as a bargaining tool the government can use to persuade its international creditors to come through with easier terms.

Through six years of tight-fisted austerity, President Miguel De La Madrid has regularly

served Mexico's \$104-billion foreign debt.

But workers' paycheques are worth less than half what they were in 1982. More than 40 per cent of Mexicans are less than fully employed and last year they suffered a record 159.2 per cent inflation rate.

Mexico sent nearly \$13 billion abroad to service the debt in 1987, equal to about two-thirds of the country's export earnings. Having just emerged from a recession in mid-1987 to achieve 1.4 per cent growth, Mexico is entering another downturn, and analysts predict negative growth for 1988.

Salinas, the architect of austerity as De La Madrid's former planning and budget minister, assumes offices Dec 1. He says he will not allow debt servicing to prevent economic growth.

"There will be no more sacrifices. We will not permit greater downturns in the standard of living," Salinas has said.

That rhetoric goes beyond the ruling party's traditional copation of opposition platforms in election years. Salinas knows he must slice debt servicing costs if he hopes to trigger growth without aggravating the government's budget deficit or fuelling more inflation.

Salinas' aides are intimately involved with Mexico's experimental efforts to retire some of the debt through bond offerings backed by foreign institutions.

Reductions
Should these strategies fail, however, Salinas has indicated he will pursue significant interest-free reductions through hard-nosed bargaining and link Mexico's payments to trade concessions in industrialised markets.

"In this case, if there is no growth or access for Mexican products in international markets, (creditors) themselves will make impossible the service of

the debt," he said.

De La Madrid has intentionally encouraged a recession in his bid to curb inflation by freezing wages, official prices for basic goods and the peso-dollar exchange rate under his economic solidarity pact programme.

Analysts predict the economy will shrink by 1.3 per cent this year — a price the government is willing to pay to keep prices down.

"It sounds crazy, but we desperately need a recession if we want this inflation programme to really work," Jonathan Heath, director of the forecasting firm Macro Asesoría Económica, said in an interview.

Pact
Implemented in December, the pact succeeded in reducing inflation to a 132.9 per cent annual rate through June. But workers' income also dropped, by more than 12 per cent in real terms according to the Mexican Workers Federation.

LONDON (Alpha Stocks)	
NAME	LAST
ABBIE LFE	317/0
ADT LTD	140/0
ALD LYONS	17.58
AMSTRAD	214.0
ARGYLL GP	188/0
ASDA GP	155/0
BAA	273/0
BTR	277/0
BAT INDS	418/4
BARCLAYS	417/0
BASS	777.5
BEAZER	187.0
BECHAMS	470/0
BERISFORD	346/0
BICC PLC	346/0
BLUE ARMY	101/6
BLUE CIRC	445.0
BCC GP	402.0
BOOTS CO	222/0
BPH INDS	267/0
BR CONM	248/0
BR AIRWAY	147.0
BR AEROSP	467.0
BR GAS RT	182/0
BR GAS RT	182/0
B.P.	256/0
B.P. NEW	58.44
B.P. RT	255/0
BR TELCOM	241.0
BURMAN OL	543.0
BURTON	220/0
CABLEWIR	368.0
CADBURYS	380/0
COMS VTY	228.0
COIN UNI	382.0
COMS GOLD	000/0
COOKSONS	263.0
COURTAULD	343/0
DALGETY	345.0
DEE CF	185/0
DIXONS	182/0
ENG CHINA	464.0
ENTER OIL	478.0
FKT BARCK	125/0
FERRANTI	90/4
GEN ACCID	914/0
GEN ELEC	154.0
GLAXO	956/0
GRANADA	298.0
GLOBE	143/0
GLYNED	312/4
GRAND MET	490/0
GUARD RYL	190/6
GW	318/0
GUINNESS	325.0
HANSON	625.0
HANSON	140.0
HAKER SID	518.0
HILLSDOWN	272/0
JCT	332.0
JMI	203.0

LONDON (Beta Stocks)	
NAME	CLOSE
1ST CHARL	12/4 12/4
2ND ALLCE	737/0 739/0
A B PORTS	534/0 532/0
A.B.ELECT	443/0 443/0
AAB KENT	92/0 92/0
AAH HLD	274/0 273/0
AARONSON	125/0 125/0
ACRE OIL	220/0 220/0
ADDISON	39/0 39/0
ALEXST	362/0 363/0
ALEX WKW	173/0 175/0
ALEXON	390/0 384/0
ALD COLL	130/0 131/0
ALD IR B	268/0 270/0
ALD LON	125/0 125/0
ALD PLMT	61/0 61/0
ALLIANCE	826/0 830/0
AMARI	272/0 273/0
AMEC	373/0 373/0
AMER TRST	126/4 127/0
AMERSHAM	445/0 446/0
AMI HLTHC	250/0 250/0
ANGLIA TV	180/0 179/0
ANGLO O'S	212/0 213/0
ANSBACHER	84/0 86/0
APPLEYARD	480/0 480/0
APRICOT	124/0 124/0
APV PLC	118/0 118/0
AQUAS.A.	79/0 78/0
ARCH ENGY	79/0 80/0
ARCHER AJ	132/0 133/0
ARLINGTON	193/0 193/0
ARSTRONG	140/0 140/0
ASS NEWS	498/0 498/0
ASTRA HLD	33/4 33/4
AT ASST	51/0 51/0
ATLANTIC CH	494/0 492/0
ATWOODS	290/0 290/0
AUS REE A	278/0 277/0
AUST REED	378/0 378/0
AUTO SECS	257/0 258/0
AVON RUBB	728/0 725/0
B.WEMILL	177/0 178/0
BAILL SHI	81/0 82/0
BAIRD W	266/0 263/0
BANK IRE	257/0 258/0
BANKER IT	70/0 70/0
BARKER D	131/0 131/0
BARRY DEV	171/0 171/0
BAYNES C.	29/0 30/0
BBA GROUP	180/0 181/0
BEAR B	5/0 5/0
BEAR BRAND	10/4 11/0
BELVANA	48/0 48/0
BELWAY	246/0 246/0
BEMOSE	519/0 220/0
BENLOX	212/0 52/0
BENTALLS	183/0 183/0
BIAM MINT	170/0 170/0
BRIMD OL	401/0 401/0
BK OF SCO	395/0 394/0

LONDON (Gamma Stocks)	
NAME	CLOSE
BLACK LE 2	16/4 17/0
BINNETT +F	37/4 39/0
BOASE MAS	259.0 252.0
BODINGTON	172/0 171/0
BOY SHOP	640/0 640/0
BOOKER	406/0 405/0
BOOTH HEHR	368/0 368/0
BORTHWICK	69/0 69/0
BOMATER	413/0 413/0
BR LAND	151/0 150/0
BR VITA	230/0 231/0
BRAMMER	246/0 246/0
BRENT CHE	133/0 133/0
BRENT WKR	424/0 425/0
BRITANNIC	361/0 362/0
BRIXTON E	319/0 320/0
BULMER HP	175/0 175/0
CALOR GRP	385/0 387/0
CAMB ELEC	249/0 250/0
CAMB INST	54/0 55/0
CANFOR E	181/0 181/0
CANNING W	233/0 233/0
CANNON ST	308/0 308/0
CAP GRP	304/0 304/0
CAP RFD	304/0 304/0
CARLON EN	163/0 163/0
CARLESS C	122/0 123/0
CARLTON C	765/0 770/0
CASE GRP	94.0 112.0
CATER ALL	358/0 355/0
CAULDON	12/0 12/0
CHAM PHPP	153/0 154/0
CHARTERHA	22/2 22/4
CHAS CURR	111/0 111/0
CHLODIE	67/0 67/0
CHRISTIES	549/0 550/0
CI GROUP	50/0 51/0
CLOYDE	129/0 129/0
CONTR SEC	56/0 57/0
CNTRY OIL	173/0 174/0
COATES BR	319/0 320/0
COLLINS A	475/0 473/0
COLLINS V	573/0 568/0
COLORADO	191/0 192/0
CONNELLS	305/0 308/0
COSTAIN	310/0 311/0
COURTS FR	308/0 308/0
COUPE (T)	116/0 116/0
CREST NIC	206/0 207/0
CRH	141/0 141/0
CRODA INT	206/0 207/0
CROWTHER	191/0 191/0
CRYSTALAT	159/0 159/0
DARES EST	31/4 32/0
DAMSON IN	228/0 228/4
DE LA RUE	455/0 457/0
DELTA GRP	308/0 310/0
DEVENISH	338/0 338/0
DIPLOMA	230/0 232/0
DONNY GRP	214/0 213/0
DRAYTON C	430/0 433/0
DRG	468/0 468/0
DUNHILL	127/0 128/0
EAGLE TST	15/4 15/2
EDIN L.T.	152/0 153/0
ELECTRA	204/0 206/0
ELECTROCOM	214/0 213/0
ELLIS EVA	195/0 196/0
ELLIS GOL	145/0 144/0
ENAP	223/0 223/0
EMPIRE ST	245/0 245/0
ERA GROUP	89/0 88/0
ETAM	246/0 245/0
EURO V RG	24/0 24/0
EURO.HOME	323/0 320/0
EUTROTHER	386/0 385/0
EUTROTHER	347/0 347/0
EVERED HL	113/0 113/0
EVODER GRP	188/0 188/0
EXPANET	206/0 205/0
FBC EUROIT	215/0 216/0
FBC PACIF	127/0 128/0
FSC SKILL	70/0 71/0
FARNELL E	175/0 176/0
FED HOUSEN	299/0 298/0
FENNER JH	162/0 162/0
FERGUSON	271/0 271/0
FITCH LON	283/0 283/0
FLUG AMER	122/4 124/0
FLUG CLAV	151/0 151/0
FLUG FEA	178/0 180/0
FLUG JAPC	197/0 198/0
FLUG MERO	347/0 180/0
FLUG OSEA	158/4 160/0
FLUG TECH	183/0 185/0
FLUG UNIV	145/0 145/0
FOSECO MI	253/0 254/0
FR GROUP	260/0 239/0
FRESHBKE	160/0 118/0
FST LEISR	143/0 143/0
FST MAT F	228/0 232/0
FST SCOT	384/4 385/0
FUR & COL	106/4 108/0
GARDNER	44/4 44/0
GEEST	280/0 280/0
GEL INTL	139/0 139/0
GESTETNER	231/0 230/0
GOAL PET	116/0 117/0
GPG	58/0 58/0
GRAMP HD	277/0 278/0
GREEN KNG	467/0 468/0
GREENLV	243/0 244/0
GREYCOAT	408/0 408/0
GRUP TV A	48/0 48/0
GT.PTLDN	334/0 335/0
GUS ORD	663/0 700/0
GVTT ORIE	282/0 282/0
GVTT STRA	240/0 241/0
H.LMD DIS	122/0 123/0
HALL (N)	151/0 151/0
HALLA	178/0 178/0
HANROS I	218/0 220/0

NEW YORK	
NAME	OPEN MID-DAY
A BSCM COM	29/3 29/3
ATLANTIC R	81/0 81/0
AAR CORP	25/7 26/0
ATKINS	44/1 44/1
ACME CLVLD	10/4 10/6
ADV MICRO	13/5 13/6
AEROF LAB	0 8/3
AETNA LIFE	43/7 44/1
ANNAMON	15/1 15/1
AIR PR-CHM	46/6 46/5
ALASKA AIR	18/2 18/1
ALBERTSONS	32/4 32/4
ALBMA 8-16	0 82/0
ALCAN ALUM	30/6 30/7
ALCO STAND	26/7 26/5
AN CYANAMID	49/6 49/6
AN ELET PV	27/5 27/5
AN HOM PRO	74/0 73/6
AN STANDA	0 77/7
AN STORES	48/4 48/6
AM TEL-CORP	26/2 26/3
AMOCO CORP	76/0 76/1
AMP INC	45/3 45/2
AMPCO PITT	13/0 13/1
AMR CORP	45/0 45/0
AMR GEN CO	29/6 29/4
AMERADA NE	28/0 28/1
ANTHEM ELE	0 13/0
APACHE CP	7/4 7/4
APACHE PET	2/6 2/6
ARMSTRONG	36/5 36/4
ASHMD OIL	73/1 73/0
ASIA PACIF	7/2 7/1
ATLS CORP	0 36/0
AVERT INT	24/5 24/2
AVNET INC	23/1 23/2
AVON PRODS	24/7 24/7
BCE INC	30/0 30/1
BELLSOUTH	40/6 40/6
BELO CP	28/7 29/0
BETH STEEL	24/4 24/4
BEVERLY	6/5 6/5
BK BOSTON	27/1 27/1
BK BOSTN-A	46/4 46/0
BK N-YORK	34/1 34/2
BK NY-RI	35/7 35/7
BKAMERICA	13/5 13/5
BKMAN SPEC	6/7 6/7
BOEING CO	58/2 58/2
BOISE CASC	43/4 44/0
BORDE	50/4 50/4
BOMATE	29/7 30/0
BR TELECOM	32/0 32/0
BRIDGE-ST	32/0 31/7
BRIET-HYER	40/7 41/0
BRUNSWICK	20/4 20/4
BURDICK	11/3 11/3
C 3 INC	10/4 10/3
CABOT CORP	36/2 36/1
CACI CORP	26/6 26/6
CAS FREIGHT	20/6 20/6
CAS NAT GS	14/5 14/5
CATER-DOCKE	26/1 25/6
CATERPILLAR	61/7 62/1
CB I IND	0 30/0
CBS	156/0 155/6
CENTEL CP	42/5 42/6
CHAMP INTL	34/0 34/5
CHAMP SPA	11/3 11/3
CHARTER CO	4/0 3/7
CHASE MAN	28/4 29/0
CHRYSLER	32/3 32/7
CHEM BK	29/5 29/5
CHEVROLET	44/6 44/6
CHRYSLER	22/4 22/6
CHUBB CORP	53/5 53/5
CHUR CR	6/1 6/2
CIGNA CORP	44/6 44/7
CIN MILAC	23/1 23/1
CIR CIT ST	32/5 32/5
CISCO	14/7 14/7
CITICORP	23/5 23/5
CLARK EQUI	31/7 31/7
CLOREX	27/5 27/4
CMPLL RES	1/2 1/2
CMPLL SP	24/5 24/5
CAN PAC	18/3 18/4
COACHMAN	11/6 11/6
COASTAL	29/6 29/6
COCA-COLA	37/0 37/1
COLECO	1/7 1/7
COLEMAN CO	39/2 39/2
COLLUM GAS	30/2 30/4
COLUMBUS-C	0 113/4
COM EDISON	28/1 28/1
CONAGRA	29/6 29/7
CON EDISON	43/2 43/2
CONTINENTAL	38/7 38/7
CONTL ILLN	0 3/1
CONTEL CP	35/7 35/7
CONTEL DATA	22/3 22/2
COOPER T-R	39/6 39/4
COOPER CORP	10/1 10/1
CORNING GL	57/7 57/7
CRANE	30/0 30/2
CRAY RES	79/2 79/6
CULLINET	6/7 6/7
DANIEL IND	7/1 8/0
DATA GEN	20/1 20/0
DATAPoint	5/2 5/3
DEC	105/1 105/1
DEERE-CO	43/7 43/7
DELTA AIR	50/4 50/3
DIAMOND SH	15/6 15/6
DIEROLD	36/2 36/4
DISNEY W	60/1 60/3
DOVER CORP	65/0 65/0
DON CHENIC	85/3 85/3
DON JONES	33/0 33/2
DRESSER IN	30/1 30/2
DREYFUS	25/7 26/0
DUKE POWER	44/4 44/5
DUN BRAW	47/7 47/5
DUPONT	86/7 86/5
DUESNE	15/0 15/0
DYNAMICS	0 23/2
E SYSTEMS	29/7 29/7
EAGLE PICH	29/7 30/0
EASTERN G	23/6 23/7
EMERSON EL	29/5 29/4
EMERSON RA	3/6 3/6
ETHYL CP	22/1 22/2
EXON	45/2 45/3
FAM DOL ST	13/5 13/7
FED EXPRESS	41/7 41/7
FIELDCREST	21/2 21/2
FIN COR-AM	1/0 1/0
FLEETWOOD	22/2 22/3
FNC CORP	34/7 35/1
FORD MOTOR	50/7 50/6
FORD HOMAR	53/7 54/1
FOXBORO CO	30/5 30/6
FRCHLD IND	0 9/7
FST BANK	22/2 22/1

	FST BOSTON	37/6	37/5	MERED
	FST CHICAG	32/2	32/1	MERRI
	FST INTERS	52/2	52/5	MESA
	GAF CORP	45/0	45/0	MOBIL
	GANNETT CO	31/2	31/4	MONSA
	GALVESTON	1/4	1/4	MORTA
	GATX CORP	48/3	48/4	MORR
	GCA CP	0	5/2	MOTOR
	GEARHART	11	12	
	GEN DATA	3/2	3/3	NRSH
	GEN DYNMCS	52/6	53/0	NAT
	GEN ELECT	41/5	41/6	NBI
	GEN HOST	0	11/1	NCR C
	GEN HOUSAR	0	9/0	NED E
	GEN INSTR	34/2	34/1	REH P
	GEN MILLS	46/1	46/0	RIEN P
	GEN MOTORS	79/5	79/7	SELM
	GEN SIGNAL	51/1	51/1	NEWIN
	GENCORP	20/4	20/5	NT NOB
	GENETECH	22/7	22/7	NT NOB
	GENUIE PA	35/0	35/0	NT NOB
	GEN PWT-80	0	75/4	NICOL
	GEORGEI-PAC	37/1	37/4	NICOR
	GIBR FI CL	3/0	3/0	NI
	GLOBAL MAR	1/0	1/0	NOBLE
	GOLDEN WUG	12/7	12/6	NORTH
	GOODRICH	49/4	49/4	NORTH
	GOODYEAR	58/7	58/6	NORTON
	GOULD INC	15/5	15/7	NUCOR
	GRACE WR	25/6	25/4	OAK IN
	GRAINGER	56/2	56/3	OCC PI
	GRUNMAN	21/2	21/4	OCEAN
	GULF RES-C	0	15/2	ODGEN
	GULF-MESTH	42/5	42/6	OH ED
	HALLIBURTON	28/3	28/5	OHIO
	HALLWOOD	0	15/7	OLIN
	HANNA MIN	30/0	30/2	OMNICA
	HARRIS CP	0	27/1	ORION
	HARTMARX	24/7	25/2	PAINE
	HECLA MIN	15/6	15/5	PAN AM
	HEINE HL	40/0	40/0	PARKE
	HEW CURTIS	39/2	39/4	PARKER
	HELM-PAYNE	20/4	20/5	PARKER
	HERCULES	44/7	44/7	PATROC
	HEWL-PACK	50/2	50/2	PAYLS
	HEXCEL CP	0	36/4	PULLMAN
	HILLENBRND	34/1	34/2	PC INC
	HILLENBRND	35/3	35/5	PENN C
	HILTN HTLS	45/6	46/0	PENNA
	HITACHI	145/0	146/7	PEOPLE
	HMSKE MIN	14/6	14/6	PEPSIC
	HNDY-HARMN	17/3	17/3	PFIZER
	HOLIDAY C	25/6	25/6	PHILIPS
	HOMER CURTIS	25/6	25/6	PHILIP
	HOWE FED S	24/7	24/7	PILLSE
	HONDA MOTOR	177/0	177/2	PINNAGD
	HOWYELL	64/4	64/4	PITM-B
	HOUGHTON MI	36/6	36/6	PITTSO
	HOUSTON IN	31/5	31/5	POLAROL
	HUGHES SUP	17/6	17/6	PORTLE
	HUMANA INC	25/1	25/2	PRIME
	IBM	122/4	122/3	PRIMER
	IC INDUST	33/7	33/5	PROCT
	IC PHARMIA	6/6	6/7	
	IC INC CO	18/5	18/5	
	INGO LTD	30/5	30/5	
	INSTR-PA	38/7	38/7	

WORLD STOCK MARKETS

International Bond Highlights

Frankfurt — The Soviet Union's Bank for Foreign Economic Affairs is issuing a 500 mln mark, seven-year Eurobond with a 6-3/8 pct coupon priced at par, lead manager Dresdner Bank AG said. The bond is the first issue in the market for a Soviet borrower, and only the second European currency bond following a Swiss franc issue in January. (RTT 1208)

Tokyo — Sumitomo Metal Mining Co Ltd said it will issue 300 mln dir in warrant bonds in Europe through public placement with Daiwa Europe Ltd as lead manager. The coupon was indicated at four pct, Daiwa said. (RTYH 0635, RTYH 0648)

London — Austria issued a three-year 250 mln Canadian dir Eurobond paying 10 pct and priced at 101, lead manager J.P. Morgan Securities said. The issue was increased from 200 mln dir because of good demand. (RTTA 1054, RTZL 0945)

London — Tobu Railway Co Ltd is issuing a 200 mln dir equity warrant Eurobond due Aug 25, 1993 with an indicated coupon of 4-3/4 pct and par pricing, lead manager Yamaichi International (Europe) Ltd said. (RTZY 1048)

London — Österreichische Kontrollbank AG is issuing a 100 mln ECU, five-year Eurobond, lead manager Merrill Lynch Capital Markets Ltd said. (RTUM 1304, RTUN 1330)

Interbank Rates

CALL	ONE MONTH	THREE MONTHS
LDN 10-1/16 9-15/16	10-1/2 3/8	10-15/16 13/16
FF 4.50/60	4.80/90	5.05/15
PAR 6-15/16 7-1/16	7-1/16 3/16	7-5/16 7/16
ZUR 1-5/8 1-7/8	3-3/8 3-5/8	3-3/4 4
BOM 5.80	***	***
ROM 10-1/2	10-3/4 11-1/4	11 11-1/2
ANS 4-7/8 5-1/8	4-7/8 5-0/0	5-1/16 5-3/16
TOK 3.8125 8750	4.0000 0625	4.0625 1250
ECU 6.50 6.75	6.75 6.87	7.12 7.25

Interest Rates

FOLLOWING are the average KD interest rates of local interbank transactions as reported by participants to Central Bank of Kuwait yesterday.

Period	Offered	Bid
1 month	5-1/8	5-5/8
3 months	5-9/16	6-1/16
6 months	5-7/8	6-3/8
1 year	6-1/8	6-9/16

PHILIPPINES MAKATI

COMMERCIAL/INDUSTRIAL	BUY	SELL	OPEN	BC-A	72.00	73.00	72.50
STOCK	BUY	SELL	OPEN	LC-A	.45	.46	.46
AC-A	9.40	9.50	9.40	LC-B	.47	.49	.47
ANS	2.60	2.65	2.65	PK-A	.36	.37	.37
FER-A	2.70	2.75	2.70	PK-B	.37	.38	.38
GLO	34.50	35.00		OIL			
PLDT	226.00	227.00	225.00	BP-A	.024	.025	.024
KPSI-A	2.20	2.26	2.22	BP-B	.024	.025	.025
SMC-A	141.00	142.00	144.00	LRC-A	.004	.0042	.0042
SMC-B	220.00	222.00	220.00	LRC-B	.004	.0042	.0042
NINING				OPM-A	.041	.042	.041
APX-A	.039	.04	.039	OPM-B	.042	.043	.041
APX-B	.04	.041	.04	OV-A	.039	.04	.039
AT-A	20.75	21.00	21.25	OV-B	.039	.04	.04

Makati Stock Market Report

OFFICIAL INFORMATION	SHARES	VALUE	AVERAGES	CHANGES
SECTOR	531,105	14,084,800	907.38	2.07 UP
COMM. IND.	65,322,950	3,647,900	4,816.36	104.03 DN
MINING	455,550,000	6,245,130	6.741	0.130 DN
OIL	521,404,055	23,977,830	856.93	9.69 DN

PHILIPPINES MANILA

COMMERCIAL/INDUSTRIAL SECTOR							
STOCK	BUY	SELL	OPEN	BC-A	80.00	82.00	72.00
SMC-A	141.00	142.00	143.00	BC-B	90.00	93.00	
SMC-B	218.00		222.00	LC-A	.45	.46	.46
SO-TIRE	35.50	36.00	35.50	LC-B	.47	.48	.48
PLDT	226.00	227.00	225.00	ZIP	.011	.012	.012
ANSOR-A	2.60	2.65	2.65	OIL			
AC-A	9.40	9.50	9.40	STOCK	BUY	SELL	OPEN
GLO	34.00	34.50	34.50	BP-A	.023	.024	.024
FER-A*	2.70	2.75	2.70	BP-B	.024	.025	
FER-B*	2.65	2.75		LRC-A	.004	.0042	.0042
MINING SECTOR				LRC-B	.004	.0042	.0042
STOCK	BUY	SELL	OPEN	OPM-A	.041	.042	.041
APX-A	.039	.04	.039	OPM-B	.042	.043	.043
APX-B	.04	.041	.04	OV-A	.038	.039	.039
AT-A	20.75	21.00	21.25	OV-B	.039	.04	.04
AT-B	22.00	24.50	24.50	TA	.024	.025	.025

Manila Stock Market Report

OFFICIAL INFORMATION	SHARES	VALUE	AVERAGES	CHANGES
SECTOR	744,600	29,530,960	910.35	UP 1.70
C/I	195,152,500	11,921,250	4,732.02	DN 56.09
MINING	455,750,000	5,513,870	7.091	DN 0.228
OILS	649,647,100	46,966,080	869.17	DN 11.60

SINGAPORE

NAME	LAST PR	CL	G TOWN	255	LEONGHUAJ	179
AJIKOMOTO	200	200	G U HLDGS	102	M UTD IND	159
ALEXANDRA	175	175	GANDA HIG	39	M UTD MFG	72.5
ANAL	83	83	GEN CORP	80	M SHITA	620
AMOL	147	147	GENITING	565	M WATA	63.5
AKOM TCM	111	111	GOLD COCH	210	MAGNUM	230
BA TOB	167	167	GS	130	MALEX IND	80
C & C	286	286	GUINNESS	342	MCB HLDGS	389
CARLBERG	545	545	H L IND.	141	METAL BOX	456
CHUAN HUP	107	107	H L IND.	104	METRO	715
CL HLDGS	575	575	HAW PAR	398	MIC BHD	388
CK TANG	482	482	HEXZA	82.5	MULPHIND	35
COLD STOR	482	482	HUNG LIND	177	MURATA	60
DAYAPI	46	46	HWA HONG	100	MYCOM BHD	185
DKN	52	52	INATEX PE	300	N ST TIME	342
DUNLOP	105	105	INTRACO	670	NAMELASTPR CL	106
DUNLOPIND	104	104	ISATON	90	NR THBER	105
ELEC MAGN	172	172	J CENENT	87	OUT	144
ESSO ORD	386	386	J ENGRG	281	P MALAYAN	275
EU YAN S	210	210	JC ENT	113	ROBINSON	294
EVEREACE	100	100	K HLDGS	130	S PACIFIC	284
F A C B	236	236	K KELLAS	220	S PRESS	740
F B SHIP	950	943	KAMUNTING	100	SAN HLDGS	642
FEN ORD	236	236	KE SANG	120	SANYO	95
FEB CABLE	560	560	KECK SENG	201	SATERAS	66.5
FED FLOUR	232	232	KENTUCKY	255	SEAL INC	105
FIMA BHD	656	656	KEPPEL	285	SHELL ORD	520
FUJITEC	76	76	KIAM JOO	214	SIA	1180
G KENT	108	110	KUMP EMAS	114	SIN LIM	77.75
G LUMBER	108	110	L & M GRP	117	SUN CHN (M)	94

Singapore Stock Market Report

SINGAPORE STOCKS CLOSE LOWER IN QUIET TRADING

SINGAPORE, JULY 26, REUTER - SHARE PRICES EASED ACROSS THE BOARD IN FAIRLY QUIET TRADING, BUT CLOSED ABOVE THE DAY'S LOWS ON BARGAIN HUNTING IN THE AFTERNOON, DEALERS SAID.

THE STRAITS TIMES INDUSTRIAL INDEX FELL 10.32 POINTS TO 1,132.48, AFTER DROPPING 14.25 POINTS AT MIDDAY. FALLS OUTPACED RISES BY 159 TO 19. TURNOVER FELL TO 33.9 MLN SHARES FROM LAST FRIDAY'S 44.6 MLN.

"PRICES CONTINUED TO CONSOLIDATE AFTER RECENT SHARP GAINS AND THE UNDERLYING SENTIMENT WAS HEALTHY," ONE DEALER SAID. BROKERS SAID INSTITUTIONS GENERALLY KEPT TO THE SIDELINES AMID UNCERTAINTY OVER THE DIRECTION OF OVERSEAS STOCK MARKETS.

Banks must consolidate, says RBI governor

BOMBAY, July 26 — After the "major era of expansion", the banking sector now "must consolidate", thereby rendering it "viable and strong" and also improving the quality of service. This concept of "consolidation", said R.N. Malhotra, Governor of Reserve Bank of India, here last week should embrace human resource development and its motivation which "was certainly crucial to the economy."

The health of the banking sector was crucial to the economy and the "depositor's money" should be used in such a way so as to ensure that it was effectively recycled. "One must not forget that banks are deposit-based loan institutions." Even policy makers should realise it, he said inaugurating the week-long anniversary of bank nationalisation.

Malhotra decried the demand for — the tendency is growing, he emphasised — writing off of loans in the rural sector and warned that it would be a major factor in undermining the banking sector grievously. "When more than 60 per cent of the financial requirements is met by institutions, the extent of damage to the system can be imagined." Such an attempt is "an anti-national act which should not be tolerated." The dedication at all levels should be to recycle loans. If it was permitted, "who will pay for the cost of the write off?" Naturally, the banks would pay less on deposits and charge more on loans.

The banking industry continued to face areas traditionally described as "risk areas" and the country should "identify, analyse and remedy" the effects these had on the assets of the banks. This would, he was certain, have its effect on the profitability of the banks. "A view has to be taken on this and we cannot any longer take an indefinite stand." Beyond a point, support to sick units was not good for the economy.

Profitable

While he frowned on profiteering, he said banks must remain profitable. While the banking institutions faced a host of problems, there were equally a host of challenges as well as opportunities. He agreed with D.N. Ghosh, SBI chairman, that innovation had to be necessarily in the rural sector lending because the "problems of rural finance was most remarkable."

Ghosh had felt that unfortunately complaints surfaced that there was no innovation in banking but "are we to innovate for the corporate sector alone?" There were complaints that customer service was poor but they emanated from the urban pockets alone. The banks were not there to service only sophisticated segments.

ZURICH

STOCK	LAST	PR-CLSE
BAER HDS	13450	13550
BALDISE PS	2060	2110
BBC I A	2245	2240
BK LEU I	2760	2800
BK LEU PS	2400	2425
CFV	1100	1110
CIB GEIG I	3285	3280
CIB GEIG N	1550	15
CIB GEIG P	2210	
CKW	0	15
CRED SUI I	555	
CRED SUI N	479	
ED LAUFEN	1825	
ELEKTROMAT	3000	3025
ENS CHEM I	3700	3700
ENS CHEM P	0	0
GLOBUS I	7300	7400
GLOBUS N	6300	6500
GLOBUS PS	1250	1260
JACOBS S I	7650	7700
JACOBS S N	1320	1340
JACOBS S P	665	670
JELN I	2400	2425
JELN PS	361	365
LANDIS N	1350	1380
LANDIS PS	122.50	124.00
MERCK I	810	810
ZURICH I	5780	5800
ZURICH N	2600	2600
ZURICH PS	1935	1950

China's biggest oilfield may sink into the red

DAQING, China, July 26, (Reuters) China's black gold may end up in red ink. Daqing, the nation's biggest oilfield and symbol of socialist industrial might, is facing the prospect of making a loss in the next few years.

"We probably can manage for another two or three years," said Zhang Jingcun, chief engineer of the Daqing Institute of Petroleum Exploration and Development. "But after that we'll be losing money."

Daqing, in the northeastern province of Heilongjiang, is struggling to maintain production levels and is also being squeezed by a system which has kept prices at artificially low levels for nearly 40 years.

Price

The state pays Daqing 100 yuan (\$27) for each ton of crude oil — well below the world market price of \$15 a barrel or nearly \$10 per tonne.

"We would like to see prices around world oil price levels," said Zhang.

China's leaders have made efforts to raise prices — not only in the energy sector — in a move seen as vital to stimulating production, ending chronic shortages and reducing the burden of massive subsidies.

"They have been trying to raise raw material prices, including energy, to stimulate production. But how to do it is unclear," said a Western diplomat in Beijing.

Increased oil prices would raise production costs across a broad spectrum of oil-dependent industries at a time when China is already facing its worst inflation since the communists took power in 1949.

Rise

Prices climbed about 12 per cent in the first five months of this year and economists estimate the rise could reach 20 per cent for the full year.

One of the beneficiaries of China's low oil prices has been a small but growing petrochemical industry at Daqing, which uses low-priced oil and natural gas to produce fertiliser and ethylene, used in plastics.

Higher oil prices would hit the industry's profits unless it could raise prices for its own products. "We are making money now but our costs are rising. Most petrochemical products are priced too low," said Wang Zhonghua, chief engineer at Daqing's petrochemical complex.

Output

Oil was first discovered at Daqing in 1959. The field's output has since topped 55 million tonnes, about 40 per cent of China's total oil production.

Once a village of a few thousand inhabitants, Daqing is now home to more than 870,000 people of whom more than 200,000 are directly employed by the oil industry.

The city has sprung up astride the oilfield. Oil pumps stand between housing blocks, in the middle of schoolyards and even outside the front door of the main hotel.

In recent years Daqing's output has become even more vital as offshore oil drilling, once hailed as the future of China's oil industry, has produced disappointing results.

Production

But Western oil analysts say they expect Daqing's production to start declining by 1995 and it is already becoming increasingly difficult and costly to maintain production at current levels.

Tonnes of water are pumped underground to maintain pressure and force oil out, after which the water is separated from the oil. This means high costs for the electric power needed to keep pumps running.

Daqing is already testing the use of other more sophisticated — and costly — oil recovery techniques which it will eventually have to use.

"The central authorities know our problems," said Zhang of the Exploration and Development Institute. "But I don't know when they will be able to do anything about them."

NASA said a comparable survey in 1985 showed consumer losses of \$91 million in 31 cases handled by state regulators.

In addition, only one case in the 1985 study involved investor losses exceeding \$10 million, while the 1988 survey showed five cases in which investor losses totalled \$30 million or more.

American energy reserves on the decline

NEW YORK, July 26, (OPEC-NA): Despite an average spending increase of 15 per cent by domestic oil companies this year to discover new energy reserves, the United States' proven reserves continue to decline steadily, an accounting company said yesterday.

The US share of proven world reserves fell by 3.7 per cent last year compared with 4.6 per cent in 1986, said Michael O'Donnell, managing director of the Arthur Anderson and Company. OPEC holds about 75 per cent of the world's proven oil reserves.

Many companies hope to outlast the slump in oil prices by drilling wells only in areas with the best prospect of new discoveries, which also means the lowest drilling cost, said O'Donnell.

This is not a strategy that can be followed indefinitely without risking serious reserve depletion and substantially higher dependence on oil imports," he told reporters in Houston, Texas.

Imports

Oil imports have risen steadily since 1986 when a surge in worldwide production sent prices tumbling from \$26 a barrel to less than \$10. By the end of June, with oil prices averaging less than \$17 for the year, imports climbed sharply.

O'Donnell, whose clients include many major independent oil companies, called on the next US Congress and president to address what he termed "an imbalance" in existing prices that favour consumers now but would be likely to lead to oil shortages by the mid-1990s.

He stopped short, however, of advocating specific policies. The oil industry itself is divided over how to reverse sagging production, short of a sharp rise in world oil prices.

O'Donnell said prices would have to climb above \$30 a barrel to stimulate domestic exploration in remote areas thought to contain significant reserves.

Costs

But Philip Verleger, an industry analyst with the Institute for International Economics in Washington, said the country's energy industry, like the steel industry before it, was being forced to contract because its production costs generally were much higher than those obtaining in other producing states.

"If we believe in efficient allocation of resources, we should expect to see less domestic production," Verleger said, adding that "this is a message the independent petroleum industry does not like, but it is true."

In its annual study for more than 250 public companies in the energy industry, the Arthur Anderson Company found that on average these companies invested 47 per cent of the reserves they gained from selling oil pumped from the existing reserves to look for new reserves.

Decline

It was the first time the figures had fallen below 50 per cent since the study began in 1978, O'Donnell said. He attributed the decline partly to payment companies were making to cut relatively high debt levels to raise their stock prices by repurchasing shares in large numbers.

Average finding costs fell to \$8.01 a barrel last year, compared with \$9.11 in 1986, the study shows.

Currency rates

FOLLOWING are international currency rates as quoted by local banks and announced by the Central Bank of Kuwait yesterday.

US dollar	Buying	Selling
Strg.	0.28299	0.28451
D.M.	0.15230	0.15321
S. Fr.	0.18422	0.18433
F. Fr.	0.04516	0.04542
IL lira	0.002056	0.002070
Jap yen	0.0021129	0.0021260
Bh. dinar	0.75063	0.75487
UAE Dh.	0.07703	0.07748
S. riyal	0.07541	0.07584
Qat. riyal	0.07771	0.07820
Om. riyal	0.73484	0.73928

THE GULF BANK

Exchange Service	Buy	Sell
Indian Rupee	US\$ 12.91	US\$ 12.93
Pakistan Rupee	US\$ 16.24	US\$ 16.26
Sri Lanka Rupee	US\$ 8.95	US\$ 8.97
Philippine Peso	US\$ 28.36	US\$ 28.38
US Dollar	US\$ 49.30	US\$ 49.32
Shilling	US\$ 1.00	US\$ 1.00
Dow Jones Market Fund	US\$ 1.00	US\$ 1.00
The Islamic Fund	US\$ 1.00	US\$ 1.00
US Dollar	US\$ 1.00	US\$ 1.00
Gold Investors	US\$ 1.00	US\$ 1.00

Study shows fraud by financial planners on the rise

WASHINGTON, July 26, (Reuters) US investors lost more than \$400 million over the past two years because of fraud and abuse in the financial planning industry, according to a study made public on Monday.

Compared with a 1985 study, the survey of 79 major legal actions taken by regulators in 30 states showed a 155 per cent rise in the number of actions against planners and a 340 per cent increase in the amount of money lost by investors to fraudulent financial planners.

The study, undertaken by the Washington, D.C.-based North American Securities Administrators Association (NASAA), said the \$400 million lost to fraudulent planners since mid-1986 came from the pockets of about 22,000 investors.

Losses

The study of financial planning services, which are provided by one-person firms as well as the largest brokerage and investment houses, showed a conservative total for consumer losses as it omitted enforcement actions taken by US government regulators.

NASA said a comparable survey in 1985 showed consumer losses of \$91 million in 31 cases handled by state regulators.

In addition, only one case in the 1985 study involved investor losses exceeding \$10 million, while the 1988 survey showed five cases in which investor losses totalled \$30 million or more.

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FRANKFURT

STOCK	LAST	PR-CLSE
AEG	202.1	201.7
ALLIANZ VR	1504.0	1487.0
BADENWERK	185.0	181.0
BASF	261.0	256.5
BAYER	291.3	287.0
BAYER HYP	342.0	339.0
BAYER VER	338.0	331.0
BBIC	306.5	305.7
BOM	409.0	405.0
BW	511.5	507.0
COMMERZBK	234.0	234.8
CONTI GLBH	256.0	249.0
DATENER BEN	689.0	680.0
DEUTSCH BNK	472.0	466.5
DLW	365.0	372.0
DRESNER B	252.5	249.5
DT BARCOCK	173.0	170.0
FAZ INDEX	481.94	475.80
FELDMUEHLE	269.4	264.8
GOLDSCHMID	284.0	282.0
HARPENER	422.0	425.0
HOECHST AG	271.4	266.2
HORTEN	143.5	141.5
HUSSEL HDL	200.0	192.0
KALZ SALT	142.0	140.0
KARSTADT	426.0	420.0
KAUFWOF	354.0	350.0
KLOECK H	126.0	125.0
KLOECK W	0	101.00
LINDT	665.0	660.0
LUFTHANSA	143.8	142.5
MAN	197.5	188.4
MANHESMAN	164.0	156.4
MERCEDES	557.0	549.0
METALLGES	310.0	310.5
NIXDORF PF	431.2	433.0
NORSK HYP	62.30	60.70
PHILIPP KOM	588.5	590.0
PORSCHKE	532.0H	536.0
PREUSSAG	179.0	178.5
RAI PAZ	219.07	219.0
RHEINMETAL	2656.50	2665.0
RUEHRP	235.0	230.0
SALAMANDER	219.5	216.3
SCHERING	256.5	258.0
SEI	512.0	507.0
SEL	300.0	298.0
SIEMENS	421.3	416.5
THYSSEN	147.0	143.0
VARTA	278.0	278.0
VEBA	250.0	247.5
VEW	139.4	139.0
VOLKSWAGEN	255.5	253.4

Gold prices drop sharply

Dollar jumps on US economic figures

LONDON, July 26, (Reuters): The dollar jumped today when new figures from the United States pointed to an even more robust American economy than generally thought.

Gold fell sharply. The dollar closed in London at 1.8605 West German marks and 132.55 yen, up from 1.8433 and 131.93 on Monday. Last week, a strong summer rally by the dollar had looked as if it was spent.

Some dealers now say they believe the US economy may still be growing fast enough to stoke up inflation, which could lead the Federal Reserve Board (Central Bank) to push interest rates higher. That would make dollar bank accounts and bonds more attractive.

Rebounded

The dollar rebounded after the United States said orders for durable goods — from aircraft to refrigerators — rose 8.8 per cent in June. It was the largest rise since December 1985, and bigger than markets had expected.

"Today's durable goods

figures gave the dollar a final upward push," a European dealer said.

The United States will report its gross national product growth rate for the second quarter tomorrow.

"We feel that tomorrow's figures will probably lend some support because they will show inflation slightly higher in the US which will lead to a tightening of interest rates," said John Lepine, chief dealer at Nomura International in London.

Pressures

Sterling fell from Monday's 1.7330 to close at 1.7125. Relatively high British interest rates last week made it a home for money that was then leaving the dollar. It remained firm against the mark ending at 3.1853 marks.

Gold fell sharply to \$431.20 an ounce in London's afternoon, from 438.50 on Monday.

Traders in precious metals, a

favoured hedge against inflation, now seem less sure about inflationary pressures than they have been lately.

US grain prices continue to

ease after rain in the drought-stricken Midwest and oil prices held steady with typical North Sea Brent crude around \$15.50 a barrel.

Wall Street stocks lacked direction ahead of tomorrow's US GNP figures and at New York's mid-day the Dow Jones industrial average was down 1.95 points at 2,069.88.

New York dealers said the Federal Reserve sold dollars to brake the US currency's advance.

Earlier, the West German Bundesbank also intervened in the market against the dollar.

Shortfall

In London, share prices stood at the day's lows in late trading chiefly on lack of interest ahead of tomorrow's release of UK June balance of payments figures.

At 1515 GMT the FTSE 100 share index was three points up at 1,841.5, having touched a high of 1,849.8 mid-morning. Turnover at 1500 GMT was 293.4 million shares.

Sterling declines helped the

major exporters but the upcoming trade data overshadowed general market sentiment, dealers said. ICI rose 8p to 1,033. Beecham 4p to 469 while BAT lost 2p at 419.

Expectations on Britain's balance of payments centre on a shortfall of £800 million on the current account after 1.2 billion in May and a visible trade deficit of about 1.3 billion, compared with £1.7 billion in the previous month.

Analysis do not expect much reaction in equity prices even if the data varies widely from forecasts.

If balance of payments figures show a significantly narrower deficit than forecast, sterling gains are expected.

But any such gains are unlikely to be met with a base rate cut from the current 10-1/2 per cent level because of the government's concern over inflationary pressure, analysts said.

Kevin Gardner, analyst at brokers Warburg Securities said "the market is braced for disappointment at the moment — the

figures would have to be appreciably outside expectations to move prices materially."

On a significantly wider trade deficit, any surge in sterling in anticipation of a possible base rate rise is likely to be met with central bank intervention on the foreign exchange, analysts said.

Lower

Sterling ended four basis points lower at 76.2 in trade weighted terms.

Nat West, the largest of Britain's main clearing banks, closed 7p down at 578 after reporting first half pre-tax profit of £702 million against 251 million in the comparative period when a write-off of around £500 million of loans to developing countries (LDC) was made. In the 1988 period, Nat West made a provision for bad debt of £126 million.

Midland, which reports tomorrow, finished 2p higher at 437. The market expects Midland to make first half pre-tax profits in excess of £300 million after a £665 million loss in the first half of 1987.

US durable goods orders surge

WASHINGTON, July 26, (Reuters): Orders received by manufacturers of durable goods surged by 8.8 per cent in June, rebounding from a 1.9 per cent drop in May, the Commerce Department said today.

The increase, which dwarfed forecasts of a two per cent gain, reflected a flood of orders for aircraft and other transport equipment. Excluding this volatile category, orders were up just 0.1 per cent last month.

The 8.8 per cent of \$10.1-billion increase, to \$125.23 billion, was the largest since December 1985 when orders rose 8.9 per cent, the government said.

Strength

The figures are adjusted to iron out seasonal variations.

Because aircraft are so expensive, the timing of orders to Boeing, McDonnell Douglas and the nation's other big manufacturers can sometimes have a dramatic impact on the durable goods statistics, economists said.

Nevertheless, the report was consistent with other figures recently showing continued strength in the industrial sector as manufacturers gear up to expand production to meet strong demand both at home and increasingly abroad, where American goods are now more competitive due to the fall in the dollar.

Without defence orders, another volatile category, durable goods rose 2.8 per cent last month after falling 0.3 per cent in May.

Plant

Orders for transportation equipment rose by \$10.0 billion, or 35.5 per cent, last month after falling 10.2 per cent in May.

It was the biggest increase in that category since a 45.3 per cent gain in December 1985.

Yet another unpredictable category, orders for defence capital goods, increased 88.6 per cent to \$15.28 billion after dropping

18.6 per cent in May. Orders for non-defence capital goods, an important barometer of business investment plans, rose 9.8 per cent in June after dropping 6.0 per cent in May.

Spending on new plant and equipment is rising as the nation's factories start to hump up against capacity constraints, especially in industries that are enjoying booming export business or are displacing imports, such as chemicals, paper, textiles and steel.

Orders for electrical machinery rose 0.6 per cent in June and non-electrical machinery orders were up 1.3 per cent, but demand for primary metals fell 3.5 per cent in May after rising 7.1 per cent in June.

Shipments of durable goods rose 1.5 per cent last month, after increasing 1.8 per cent in May, while the backlog of unfilled orders rose 2.2 per cent after edging up 0.1 per cent in May, the Commerce Department said.

South Africans told to seek new markets if Japan curbs trade

JOHANNESBURG, July 26, (Reuters): Leading commercial groups are advising South African businessmen to seek new markets in the Far East as anti-apartheid pressure mounts on Japan to curb its politically embarrassing trade with Pretoria.

South Korea, Taiwan, Singapore and even China are being suggested as possible alternative markets for South African exports and sources of essential imports.

"Local businessmen look like they are experiencing difficulties with Japan becoming an unreliable trading partner, it is only logical to look at other markets in the Far East," Giselle Krystall, foreign trade manager at the Witwatersrand Chamber of Commerce and Industry, told Reuters.

Advice

South African businessmen said they had received the same advice from the Association of Chambers of Commerce, one of the country's largest organised business groups.

Japan supplanted the United States as Pretoria's biggest trading partner in 1986 after Washington introduced economic sanctions against South Africa. Tokyo has faced a barrage of international criticism for its continued heavy trade with the country.

Tokyo's embarrassment

deepened last week after the Finance Ministry reported that Japan's exports to South Africa jumped more than 45 per cent in the first six months of this year to \$1.14 billion.

Total bilateral trade, which includes imports as well as exports, was up 13 per cent to \$2.15 billion.

Reacting to the increase, Foreign Minister Sosuke Uno said this week in Tokyo that his government would begin strictly monitoring the volume and nature of trade between Japan and South Africa.

Leading car makers, led by Toyota Motor Company, have already started to limit shipments of knock-down vehicle kits, which account for about 40 per cent of Japan's total exports to South Africa.

Japanese diplomats in South Africa told Reuters they had been instructed to do nothing to promote trade between the two countries and to restrict visas for South African businessmen wanting to visit Japan. Tourist visas are already denied to South Africans.

Krystall said she had been flooded with enquiries from local businessmen concerned about moves by Japanese companies to limit trade with South Africa.

The Johannesburg office of the semi-official Japan external trade organisation was also instructed recently to stop dealing

with trade enquiries on behalf of South African companies, local businessmen said.

The organisation's Johannesburg representative, Kunyasa Kobayashi, told the local newspaper Business Day that his office was now collecting economic information about neighbouring Botswana, Swaziland and Lesotho.

The Association of Chambers of Commerce has taken over handling trade enquiries by South African businessmen and has organised a briefing this week in Johannesburg on trade with Japan and South Korea.

"There are lots of other countries in the east with whom we can develop our trade links," said one South African businessman who did not want to be identified.

Companies

"Some Korean businessmen were out here recently and they are raring to go. And Taiwan has already filled some of the loopholes left by companies from the other countries that have reduced their business with us," he said.

A senior executive at a major mining company told Reuters that a delegation from China recently made a quiet visit to South Africa to buy strategic minerals, mainly manganese. "We didn't sell them anything, because these minerals are in tight supply. But they'll probably be back," he said.

WORLD STOCK ROUNDUP

SYDNEY, July 26, (Reuters): The share market closed lower, dragged down by the sharp decline in gold prices in quiet trading. The All Ordinaries fell 11.8 points to 1,618.5.

TOKYO: Share prices closed higher on scattered, cautious buying in a quiet session with few institutional investors seen in the market. The Nikkei index rose 120.23 to 27,303.76.

HONG KONG: Share prices rose marginally in very lacklustre trading and are expected to continue in narrow ranges for the rest of the week. The Hang Seng index rose 8.21 to 2,655.62.

SINGAPORE: Share prices eased across the board in fairly quiet trading, but closed above the day's lows on bargain hunting in the afternoon. The Straits Times industrial index fell 10.32 to 1,132.48.

BOMBAY: The stock exchange was officially closed for the fourth consecutive trading day to allow wage talks between brokers and their staff. Trading will resume tomorrow.

FRANKFURT: German shares

overcame a tentative start to end over one per cent higher as the rising dollar encouraged a late buying spree. The DAX 30-share index closed near highs at 1,176.44, up 15.98 points.

ZURICH: Swiss share prices finished slightly lower in quiet trading in the absence of fresh market factors. The All-Share Swiss index closed 3.2 points lower at 876.5.

PARIS — French share prices closed higher in dull, featureless trading, with buying interest buoyant despite very small volumes. The 50-share bourse indicator posted gains of 0.95 per cent.

LONDON: Share prices stood at the day's lows chiefly on lack of interest ahead of Wednesday's release of UK June balance of payments figures. At 1515 GMT, the FTSE 100 was three up at 1,841.5.

NEW YORK: Wall Street stocks were mixed and showing no signs of direction after a feeble attempt to gain by the blue chips. The Dow 30 index was up three points at 2,075.

Oil prices drift lower

LONDON, July 26, (Reuters): Oil prices slipped today for lack of further news about the Gulf peace process or OPEC moves to tackle the present oversupply.

North Sea Brent Blend, the most widely traded international crude, was down 40 cents from the same time on Monday at \$15.40 a barrel late in Europe's trading day.

Prices soared about \$1.50 a barrel last week after Iran accepted a UN resolution for a Gulf ceasefire.

That raised prospects of better co-operation in the Organisation of Petroleum Exporting Countries.

Process

Spot markets now await developments in the peace process and further news about a possible meeting of OPEC's ministerial price committee, which several reports suggest may be held on August 3 in Lausanne, Switzerland.

OPEC Secretary-General Subroto is due in the UAE tomorrow to discuss a UAE decision to boost its output above its OPEC-assigned quota.

The Middle East Economic Survey, a Nicosia-based trade

newsletter, said on Monday the price committee meeting might depend on the results of Subroto's UAE visit.

The benchmark US crude, West Texas Intermediate, eased 45 cents to \$15.90 per barrel. The key Middle East grade, Dubai, fell 35 cents to \$13.60.

Meanwhile, a British parliamentary committee today called for an investigation into alleged petrol price fixing by oil companies.

The House of Commons (Lower House) trade and industry selection committee said it believed oil companies were "limiting competition and acting against the public interest."

Petrol prices tend to be fairly uniform across Britain and stand around the 38 pence per litre (\$2.80 per gallon) mark for high-octane fuel.

Investigation "We are convinced that there is prima facie evidence of retail price maintenance," the committee said.

Called for an investigation by the Monopolies and Mergers Commission. The report said oil companies had boosted their ownership of petrol stations.

Coffee market heads for further cut in export quotas

LONDON, July 26, (Reuters): A further cut in coffee export quotas set by the International Coffee Organisation (ICO) is expected tomorrow because of a persistent worldwide oversupply, dealers said on Monday.

The second quota reduction since July 13 could tighten producers' supply lines enough to boost prices of high quality coffee at least in the short run, they added.

The ICO, a group of 50 coffee producing countries and 24 consumer nations, uses quotas to stabilise prices, the only producer-consumer oriented commodity pact still working.

The organisation has called for a special meeting tomorrow when some high quality producers may seek release from any further quota cut.

The cut, which will bring the ICO's global export quota to 51.5 million bags of 60 kilos each, threatened to make top quality mild Arabica coffees even more expensive relative to less popular robustas, another dealer said.

This further quota cut will make people very edgy about mild coffee supplies, said one London dealer.

Brazil, the world's leading producer, was likely to breathe a sigh of relief if there is another quota cut, another said. This would help it to reduce a massive backlog of coffee still to be shipped before the end of September, he added.

New Dubai plant plans to cut aluminium prices

ABU DHABI, July 26, (Reuters): Foreign aluminium foil exporters could lose a third of their market in the Gulf after a plant in Dubai starts production in October, industry sources said yesterday.

The \$1-million plant in the emirate's Jebel Ali free trade zone plans to sell aluminium foil rolls at prices 30 per cent lower than imports, the sources said. It would produce 55 million rolls a year, meeting one third of Gulf demand.

The plant, the first of its kind in the UAE, is jointly owned by Danish and Indian companies.

UK authorities looking for even higher rates to stem liquidity

West German money supply growth quickens

THE dollar continued to rise during the earlier part of the week on the back of sustained gains following the trade numbers. The dollar's advance reflected many investors adjusting their portfolios to compensate for a shortage of dollars. However, with the market heavily bought into the US unit, the central authorities took the opportunity to cap the dollar's rise by selling significantly. As a result the recent rise in the US unit came to an abrupt halt and gains achieved in the previous week were virtually entirely eroded. The dollar ended the week at DM1.828 and ¥130.9.

Industrial capacity utilisation was the highest since March 1980 at 83.1 per cent in June compared with 82.9 per cent in May and a revised 82.6 per cent in April. The June increase largely reflects operating increases in mines and utilities with manufacturing industries remaining unchanged.

Increased

Housing starts increased in June by 5.1 per cent to a seasonally adjusted annual rate of 1,454,000 units. The rise was the largest since February at 9.9 per cent and followed a revised May decline of 12.6 per cent.

Consumer price index rose a seasonally adjusted 0.3 per cent in June following a 0.3 per cent increase in May. Rises in food and shelter accounted for more than three fifths of the overall increase. For the twelve months to end June, consumer prices rose 4.4 per cent whilst for the first six months of 1988 the seasonally adjusted annual rate of rise was 4.4 per cent.

Fall

The dollar's sharp fall of this week is likely to see some retracement over the coming week. However, the markets are likely to be extremely nervous of potential central bank intervention. Despite a slightly better than market anticipated consumer price number, interest rates on balance will continue to firm. As a consequence this should for the immediate future, underpin the dollar around current levels.

The markets will be looking to this coming week's second quarter preliminary GNP release which is expected to be above first quarter, at around 4 per cent. If such a number is realised and with commodity prices continuing to forge ahead, the Fed

will undoubtedly take the opportunity to again "snug" up policy. This could prompt a discount rate increase. Again such action will for the immediate term underpin the dollar. (Longer term we continue to view the dollar's downside risks as exceeding any short term upside potential).

Trading ranges: DM1.80-1.87 and 129.135 yen.

Speculation that the British Prime Minister, Mrs Margaret Thatcher would be reappointing Professor Alan Walters to economic adviser reopened the policy conflict between the prime minister and her Chancellor, Nigel Lawson. Professor Walters stated that interest rates must be determined by monetary considerations and not to regulate the exchange rate, pushed sterling ahead on the belief that the UK authorities will be looking for even higher interest rates to stem domestic liquidity. The additional half a per cent base rate rise at the beginning of the week testified to the sentiment and sterling, despite contrary central bank intervention, pushed further ahead to end the week at DM3.17 and £/\$1.73.

— Public Sector Borrowing

Requirement (PSBR) in June was virtually close to zero at \$39 million. The cumulative surplus for this financial year remains at £1.6 billion and compares with a borrowing requirement of £1.5 billion over the same financial period a year ago.

Sales

Retail sales for June rose 0.4 per cent seasonally adjusted, being 6.5 per cent higher than a year earlier and on a non-seasonally adjusted basis 10 per cent higher than June 1987.

Irrespective of trade data releases for this coming week, the markets interpretation of present policy will continue to see sterling pressure upwards. If the numbers are bad, the authorities will increase interest rates further in an effort to stem domestic demand and hence the continuing interest rate differential will for the immediate term continue to underpin the pound.

If the trade numbers come in better than expected, this again will be to sterling's advantage. Trading ranges will therefore be on the upside of current levels DM3.15-3.19 and £/\$1.68-1.77.

Interest rates will probably see further rises irrespective of this

week's trade numbers. An imminent half a percentage point rise in base rates would undoubtedly follow a poor set of external accounts but a further half a per cent rise sometime in the future still appears to be inevitable.

Target

The growth of West Germany's money supply continues to exceed the official target range of 3-6 per cent with the latest annual increase to June of 7.4 per cent. With the DM's recent weakness both against the dollar and sterling, this has provided the Bundesbank with an opportunity to raise interest rates and further increases from current levels are expected in an effort to curtail inflation.

The Japanese economy continues to provide evidence of strength with consumer spending rising by 3.8 per cent in May from a year earlier. As a consequence during the first six months of this year Japanese imports advanced by 34.3 per cent in dollar terms although this was partially offset by an increase in exports of 15.7 per cent.

Provided by NSK Weekly Market Review

Moscow agrees to postpone Poland's hard currency debt

WARSAW, July 26, (Reuters): The Soviet Union has agreed to postpone repayment of \$1.5 billion worth of hard currency debts owed to it by Poland, Polish government spokesman Jerzy Urban said today.

The announcement followed a July 20 agreement under which Western banks rescheduled repayment of \$9 billion, covering almost all Poland's Western commercial debt.

Poland's foreign debt stood at \$39 billion at the end of last year and has risen as interest that Poland is unable to pay is added on to the total.

Urban told a news conference repayment of Poland's entire hard currency debt to the Soviet Union would be suspended for 10 years, but gave no further details.

Moscow also offered Poland new credits worth 400 million roubles (\$640 million) to balance payments and agreed terms to sell it Soviet oil, gas, iron ore, chrome ore and other raw materials for the next five years, he said.

India increasing use of external finance: OECD

PARIS, July 26: India is increasing its use of external finance, official as well as private flows, while its external debt, including credit from the International Monetary Fund (IMF), stood at over \$43 billion at the end of 1986, reports the Economic Times.

According to the annual survey of the Organisation for Economic Co-operation and Development (OECD), for 1987, bank lending to developing countries, excluding South Korea, increased from \$8 billion in 1986 to \$15 billion in 1987.

In dollar terms, this reflected the "new money" packages to highly indebted Mexico and Argentina, resumed borrowings by China and India and build-up of interest arrears to banks.

Investment

Official development finances declined in real terms in 1987, direct investment flows at just over \$13 billion slightly exceeded the 1986 figure.

Net export credit lending to developing countries was negative in 1987. The increased international bank lending disbursement in 1987 is attributed in the survey to borrowing by several Asian low income countries. The massive borrowings by

China and India in recent years have "radically changed" the overall distribution of loans.

Taking the period 1986-87, out of the total flow of \$7.8 billion to India, \$3 billion were by way of private flows and export credits while \$4.8 billion were official development finance, bilateral and multilateral.

Survey

This shows that official flows accounted for 62 per cent. Private flows accounted for one-quarter of external finance flows.

Reviewing the total financial flows to developing countries in 1987, the survey says that Asia has become, in recent years, the largest recipient of total net flows — \$33 billion or 39 per cent of the total in 1987. Asia has become the largest recipient also of private flows and official development assistance.

Debt

In per capita terms, external assistance to Asian countries was relatively low. The ratio is particularly low for China and India which together received \$3 billion per annum. China and India have, however, maintained their creditworthiness and have received \$25 billion of net private financing since 1985.

The outstanding debt of developing countries had risen to \$1.2 trillion by the end of 1987, an increase by three per cent after taking into account exchange rate changes. Interest payments fell by \$6 billion to \$64 billion.

The survey notes that Asian countries, with the exception of the Philippines, have generally adjusted well to the major changes in the international economic environment. In this region, growth is running at or above the levels achieved in 1970s. Foreign direct investment in the ASEAN region is "booming" in response to favourable domestic policy conditions and their competitive position has been enhanced by currency appreciation in Japan, Korea and Taiwan.

Productive

The survey urged debtor countries to reformulate policies and institutional arrangements in a way which leads to more productive economy and greater social welfare and equity "which often means discarding economic models adopted in the past and resisting the special interests which benefited from these models."

The OECD countries, for their part, should bring about structural adjustments and genuine

roll-back of protectionist measures to create a more flexible, integrated world economy with effective participation by developing countries.

Current levels of OECD foreign direct investment remain below the peaks of the early 1980s. One-half of the decline was accounted for by the western hemisphere — and average of \$2.8 billion in 1986-86, compared to \$8.5 billion per annum in 1980-81.

The survey says that the size of the current rebound from \$6.7 billion in 1985 to over \$12 billion in 1986 and more than \$13 billion in 1987, as well as the development of debt and equity swaps point to the current renewed interest for the potential contribution to development of this form of finance under appropriate conditions.

Net amounts are expected to increase in the future but the progress in aggregate disbursements can remain relatively slow as disinvestment continues to take place in some countries.

Also, corporate and government policies play a particularly important role, together with market forces, in shaping trends for direct investment, says the survey.

Stance will help ease crisis in agricultural trade

US, EEC must co-ordinate farm policy changes

BRUSSELS, Belgium, July 26, (AP): The United States and the European Economic Community must co-ordinate changes in their farm policies to help ease the world crisis in agricultural trade, a new study urged.

The study by the 12-member EEC said the trading partners' current expensive farm programmes, which have helped create agricultural surpluses on the world market, cannot continue.

Record

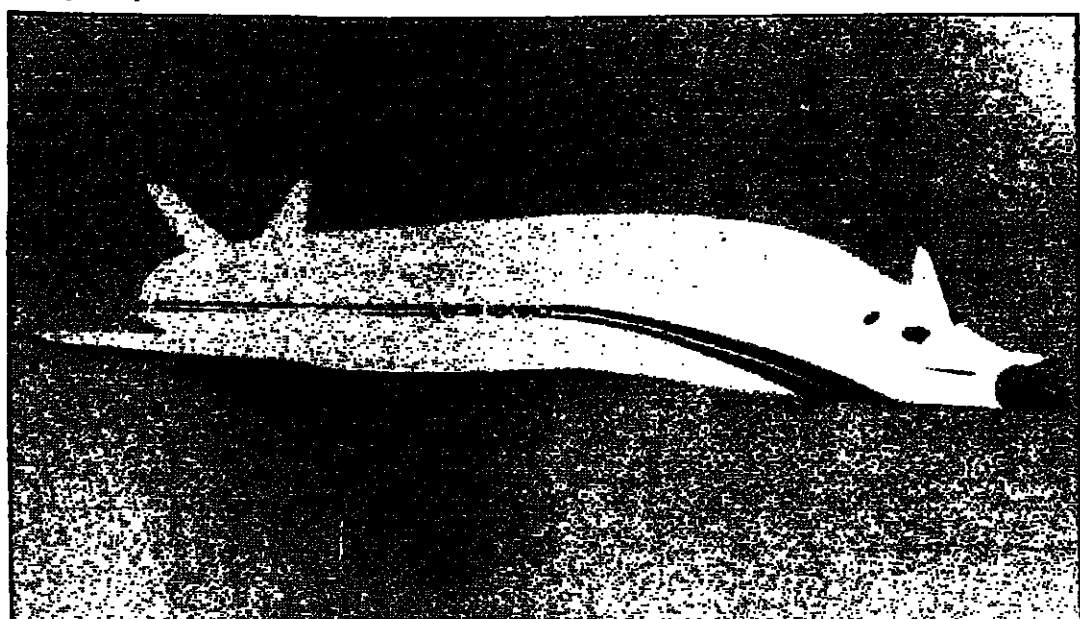
"That reform will occur is inevitable," said the report, which was released earlier in the week.

"The budgetary costs of farm programmes in the EEC and the United States are rising and becoming unsustainable at a time when there are threats of insolvency in the EEC and urgent calls for budget deficit reduction in the United States," the report

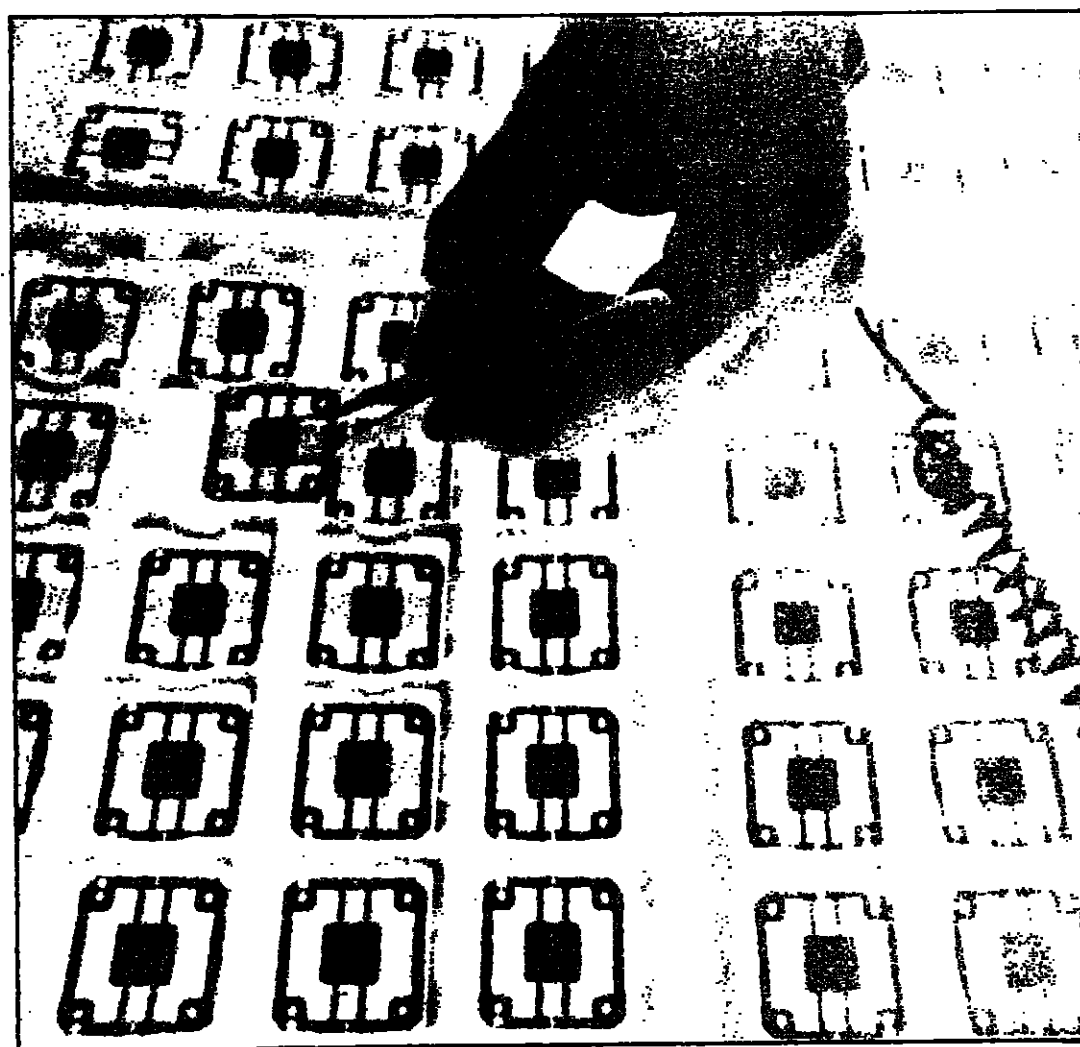
said. The EEC, it said, spent \$22 billion on agricultural programmes in 19



MILITANTS of the communist-led union CGT take up position behind an overturned car as they besiege the director of the Didier and Massey printing plant. (Reuters wirephoto)



THE British government has announced that it would end funding for development of the revolutionary HOTOL (Horizontal Take-off and Landing) space plane but would back efforts by the British Aerospace and Rolls Royce to find foreign partners. Development costs are estimated at \$10 billion. (Reuters wirephoto)



AN ENGINEER at Control Data's CYBER 960 computer factory in Arden Hills, Minnesota, examines a semiconductor device, called a gate array, that is the first of its type to combine memory and logic on one computer chip. Each package holds a single gate array chip having 6,300 gates. (Reuters wirephoto)



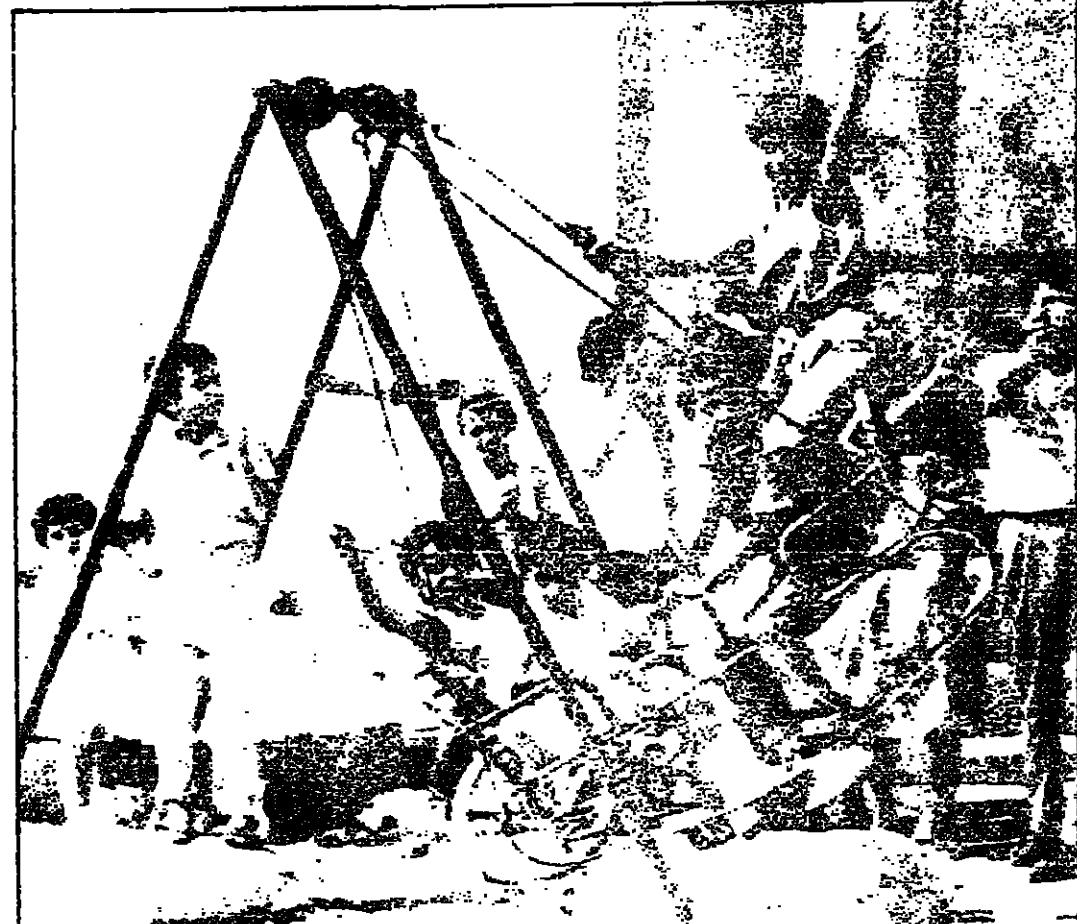
MICHIO Watanabe, Liberal Democratic Party Policy Board Chairman, apologises for his remark about American blacks during a press conference at the Parliament building in Tokyo. (Reuters wirephoto)



PHILIPPINE President Corazon Aquino delivers her state of the nation address during the second joint session of Philippine Congress. (Reuters wirephoto)



SOVIET leader Mikhail Gorbachev (right) met Ethiopian President Mengistu Haile Mariam at the Kremlin in Moscow yesterday. (Reuters wirephoto)



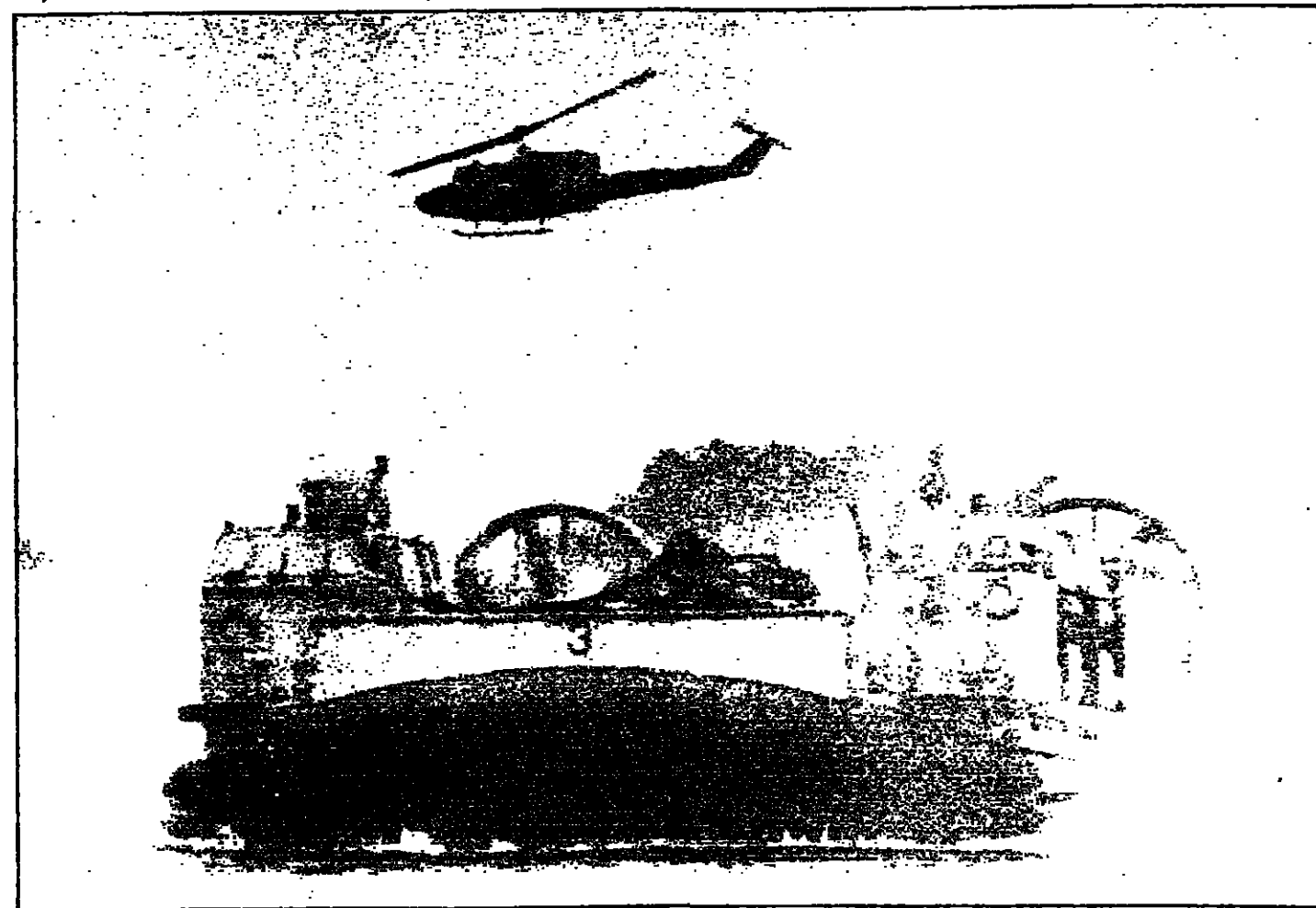
A GROUP of Palestinian children flash the V-for-victory sign as they play on a swing in Gaza. (Reuters wirephoto)



YOUNG Palestinians hoist a Palestinian flag on an electric cable in Gaza. At least three Palestinians were electrocuted recently and died while handling the same cable. (Reuters wirephoto)



KAMPUCHEAN Premier Hun Sen (left) in a press conference says that his government has proposed a seven-point plan for Kampuchean settlement peace talks in Bogor, Indonesia. (Reuters wirephoto)



A THAI helicopter flies above a US Navy hovercraft transporting a tank and trucks during an amphibious assault exercise as part of the annual Cobra Gold joint Thai-US manoeuvres. (Reuters wirephoto)

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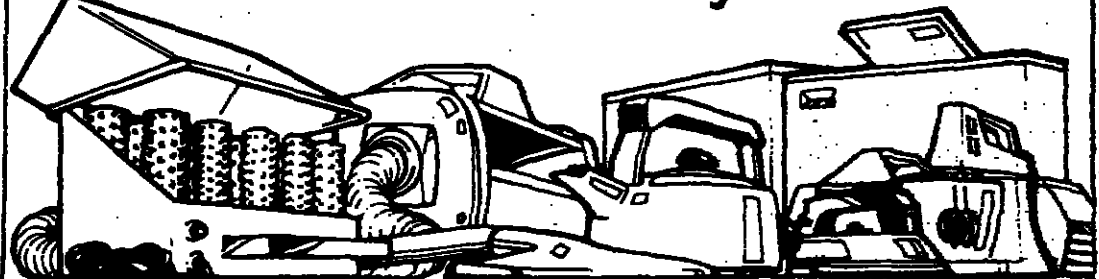
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SPORTS

Court rejects New Zealand bid to ban catamaran

NEW YORK, July 26, (Reuters): A judge yesterday refused to ban the San Diego Yacht Club from defending the America's Cup in a catamaran, effectively rejecting New Zealander Michael Fay's bid to force the Americans to race in a mono-hulled boat.

New York State Supreme Court judge Carmen Ciparick, ruling two months after court arguments on the case, said the races should go ahead beginning September 19 and any protests should be settled afterwards.

Principle
Ciparick's ruling excluded Britain's Royal Burnham Yacht Club from participation in the America's Cup series of races.

Ciparick said that although there was an "agreement in principle to allow Royal Burnham to sail off against Mercury Bay," for the right to challenge San Diego for the America's Cup, it appears the three parties never made "an enforceable contract..." regarding the terms of the challenger sail-off.

George Tompkins, a lawyer for Fay, who represents New Zealand's Mercury Bay Boating Club, told Reuters that Fay was left with no option but "to race, I suppose. There will be no appeal in the matter."

In San Diego, a New Zealand spokesman, Graeme Colman, refused to reveal any disappointment over the rejection of New Zealand's claim that the 137-year-old competition called for races between "like or similar" boats and that the inherently faster catamaran would have an unfair advantage.

"Right now, we are right on target for a September race," he said. "We're ready to go tomorrow."

Sail
He said a 40-man New Zealand crew was on the water off San Diego yesterday testing a new main sail and a boom.

"We'll know after today how much faster she is, but it's still not a match with a catamaran... that's been our crux all along," Colman said.

But Ciparick said in her 10-page ruling that some of the experts testifying for San Diego said "that both New Zealand and Stars and Stripes (the San Diego catamaran) are of such radical designs that the result of a race between them cannot be predicted."

When Mercury Bay announced its challenge in November of 1987 it revealed its plan to use a 90-foot mono-hull boat.

Mercury Bay contends that the original deed requires a fair race, meaning that the challenging and defending boats must be of the same type.

Ciparick said the founders of the Cup wanted to encourage an international race among boats on the seas, "and not a land-bound battle among clever lawyers in the courtroom."

The judge also said that the deed for the Cup "gives the defender the right to name its boat at the last possible moment at the starting line on the first day of the races."

Deed
But Ciparick said: "No like or similar requirement is unequivocally mandated by reference to the terms of the America's Cup deed of gift, nor does the deed specifically exclude multi-hulled boats."

She said: "The time has come for the sailors to be permitted to participate in the America's Cup. The parties are directed to proceed with the races and to reserve their protests, if any, until after the completion of the America's Cup races," the judge said.

Gear
But whatever the distance, Aouita has always been happy running in Italy, where he has lived on and off for the past five years.

At last year's Golden Gala, he held in Rome, he smashed his own 5,000 metres world record romping home in 12 minutes 58.39 seconds. The same summer he changed gear and beat the field over 800 metres at the international Caorle meeting.

During the spring he had already broken the world two mile record running at Turin, and in September comfortably captured the world championship crown at 5,000 metres in Rome.

This month the 27-year-old Moroccan has shown he is in top form by winning the 1,500 metres Grand Prix races at Stockholm and Nice.

Organisers said they had some trouble attracting more top athletes to the meeting, moved to Verona because of modernisation at Rome's Olympic stadium ready for the 1990 World Cup soccer finals.

Many of the Americans were tired after a gruelling nine days of Olympic trials which ended last weekend and Europeans were worried about peaking too early for Seoul after intensive competition earlier in the season in northern Europe.

GOMEZ GOES DOWN TAMELY

Connors captures 106th crown



Connors: throws his arms up in victory

WASHINGTON, July 26, (AP): Jimmy Connors' latest single title, No. 106 in his incredible career, was a long time coming. Just how long, Jimmy?

"Three years, 9 months, 18 days, 14 hours, 22 minutes and 12 seconds," Connors said yesterday after beating Andres Gomez of Ecuador 6-1, 6-4 to win the \$232,050 D.C. Tennis Classic.

Connors wasn't quite exact in assessing the amount of time since his last title, but that was to be expected. He has long said that the media was more concerned about his dry spell than he was.

Guess
"I go through a career and win 105 tournaments and it's never enough," Connors said. "Now I guess I'm stuck on 106 until I win 107, right? I've taken a lot of crap over the past 3 1/2 years from you guys."

The top-seeded Connors started the match with an ace and never let up in winning his first singles title since October 1984. After going 56 straight tournaments without receiving a winner's cheque, the 35-year-old left-hander earned \$50,575 after beating Gomez in 72 minutes.

Connors won the final five games of the first set, then notched the only service break of the second in the decisive ninth game.

Connors, now 9-1 against

Gomez, had come up short in 11 singles finals since winning at Tokyo. He had been forced to retire or withdraw in four of those matches, but never wilted yesterday in heat that registered 102 degrees outside.

Connors, ranked No. 8 in the world, never lost his serve in capping a tournament in which he did not drop a set in five matches. Gomez, the No. 3 seed, earned \$25,287.

"Today he was just too overpowering," Gomez said. "He came out strongly from the very first point."

After both players easily held serve through the opening three games, Connors put Gomez in a 0-40 hole.

Aided by an ace, Gomez fought back to deuce. But Connors ran sideline to sideline to reach a drop shot he turned into a crosscourt winner, then fired a passing shot by the charging Gomez on the subsequent serve.

Up 3-1, Connors surrendered only four points in the next three games.

The second set was much tighter, as neither player faced deuce in holding serve throughout the first eight games. Connors, however, finally got the break he needed thanks in part to an error by Gomez.

Serving at 4-4, 15-0, Gomez had an opportunity to put Connors away with a smash at the

net. But he routinely tapped a drop volley, and the sprinting Connors not only reached it but had enough time to whip a cross-court forehand past the dismayed Gomez.

"It was a mistake on my part," Gomez admitted. "It was one of few mistakes I made in the second set, but it was a big one."

Connors won the next two points, then got the break with a backhand pass off the serve. After the shot, he thrust his arms over his head in triumph.

Connors, who has won more titles than anyone in history, said he did not feel pre-served by the long drought.

"I never worried about the 106th title because I'm playing for the love of the game," he said.

Definitely
Connors said his goal now was to make the US Open, the year's final Grand Slam tournament, his 107th victory.

"I have to admit that would definitely be the ultimate," said the five-time US Open champion.

"Connors has the body of a younger man," Gomez said after the match.

But Connors said he plays so aggressively because he does not have the stamina he used to and has to keep his matches shorter.

"I need to get the points over quicker so I go for more things than I used to."

BASKETBALL

Russian star weighs up coaching job in Yugoslavia

PULA, Yugoslavia, July 26, (Reuters): Sergei Belov is weighing up all the options before accepting an offer to coach Yugoslav basketball side Cibona Zagreb.

At stake is his Soviet Army pension - and he insists he will only take on the new job if his Army commitments allow it.

Belov was approached by the Zagreb club, twice European champions, and asked if he was interested in the job, the Russian told Reuters in an interview at this third Adriatic resort.

But the 44-year-old Army officer who retired from playing in 1980 after the Soviet Union missed the Olympic gold medal in Moscow said: "I am keen to keep my Army pension, so I must be careful."

Belov, who spent several years here as guest of the Annual International Basketball Academy, added: "Soccer player Oleg Blokhin requested leave from the Soviet Army before going to play for an Austrian team."

"He got it, but his pension would be very small when he returns," said Belov.

"Of course, he doesn't think about it if stories about his salary are true. But, I have to think about my future more carefully."

Controversial

Born in Tomsk, Siberia, Belov was the renowned playmaker of the Soviet basketball team between 1966 and 1980.

He was in the team which beat the United States in the controversial 1972 Olympic final - the first American defeat in the sport in the history of the games.

He was also in the team which won the World Championship in 1967 and 1974 and the European Championship in 1967, 1969, 1971 and 1979. And he played in the Moscow CskA Army team which won the European Cup in 1969 and 1971.

"I'd give away all my medals for the gold we missed at the Moscow Games," said Belov, now greying but still very slim.

"I was about to retire at the time," he said. "It would really have been the perfect end to take the gold, even if there were no Americans there. But we lost to Yugoslavia in the semifinals."

Yugoslavia went on to strike gold by defeating Italy in the final. The Soviets took the bronze.

Belov is coach of the Soviet junior team but would prefer to work with the top Yugoslav club.

Gilbert and Teltscher fall in openers

STRATTON MOUNTAIN, Vermont, July 26, (AP): Brad Gilbert and Eliot Teltscher were ousted in first-round play yesterday at the Volvo International tennis tournament.

Teltscher, seeded eighth, lost to Michael Robertson 6-3, 6-4.

Gilbert, seeded third, went down to Leo Lavalle of Mexico, 7-6 (8-6), 7-6 (9-7) in a match delayed an hour because of rain.

Gilbert, a Volvo quarterfinalist for the last two years, was one game away from defeat when play was suspended, at Lavalle's request.

"It was really slippery then," said the 21-year-old Lavalle, who is ranked 203rd. "I started thinking, well, maybe it's good to stop now, for both of us."

When the match resumed, Gilbert won five straight games, surviving two match points, before succumbing to Lavalle in the tiebreaker.

"I knew I was going to be in for a good fight," said Gilbert, whose record against Lavalle is 3-3. "As it was, I was in for too good of one."

Straight
He attributed his loss to sloppy play.

"I'm happy I won," said Lavalle, who qualified for the tournament on Sunday. "Last time I beat him was like a year and a half ago."

He said he lost five straight games after the rain delay because of the pressure of playing so well against a top-seeded player.

"I'm not used to being in those

situations too much anymore," said Lavalle, who was ranked 51st two years ago.

"I guess the more you play that type of match, the more you get used to the pressure," he said. "I just hope I play more matches and I keep improving, keep practicing, enjoying myself, staying healthy."

Robertson, 25, broke Teltscher's serve once in the first set and three times in the second set. Robertson said the altitude at Stratton Mountain helped his game because "I was born in Johannesburg, 6,000 feet (1,829 metres) above sea level."

"I thought that I played solid and I played some good points, and I think he played not as well as he's capable of playing," said Robertson, ranked 175th in the world.

Tyson and Cayton reach settlement

NEW YORK, July 26, (AP): Heavyweight champion Mike Tyson and manager Bill Cayton have reached an out-of-court settlement of Tyson's suit to get out of his contract with the manager.

Cayton will remain manager through the full term of his contract, his attorney, Thomas Puccio said today.

Suing
"This thing is about money, and that's it," Puccio said of the settlement.

Tyson is suing to break his contract with Cayton, and both were urged by judge David Edwards to settle the case out of court.

Cayton and Tyson met last Thursday, the first discussion

they have had since June 27 when Tyson knocked out Michael Spinks in 91 seconds. At that session, Tyson and Cayton reached an interim agreement on dividing the purse from that fight. Tyson received a check for \$10 million, Cayton \$5 million and trainer Kevin Rooney \$1.5 million, with approximately \$3 million yet to be distributed.

Tyson earlier went to court to block Cayton from receiving his one-third share of the fighter's earnings.

Tyson has maintained his contract with the manager should be voided because he was not represented by counsel when he signed the agreement in February.



Mike Tyson

Sokolov stays on top

BIENNE, Switzerland, July 26, (AP): All games in the eighth round of the Bienne Grandmasters chess tournament ended in draws last night, leaving Yugoslavia's Ivan Sokolov as the leader.

Most games were finished after less than 30 moves. The longest, between Oleg Romanishin of the Soviet Union and Daniel Campora of Argentina, went on for 63 moves before they agreed to sharing the point.

Results:
Stefan Kindermann, West Germany, - Lubomir Ftacnik, Czechoslovakia, 1/2-1/2.

Vladimir Tukmakov, Soviet Union, - Maya Chiburdanidze, Soviet Union, 1/2-1/2.

Oleg Romanishin, Soviet Union, - Daniel Campora, Argentina, 1/2-1/2.

Vlastimil Hort, West Germany, - Ivan Sokolov, Yugoslavia, 1/2-1/2. Jesus Nogueiras, Cuba, - beat Zueger, Switzerland, 1/2-1/2.

Boris Gulko, United States, - Eugenio Torre, Philippines, 1/2-1/2.

Standings: Sokolov, 5 1/2 points; Gulko, 5; Tukmakov, Nogueiras, Torre, 4 1/2; Chiburdanidze, 4.

Witt honoured

EAST BERLIN, July 26, (Reuters): The United Nations International Children's Education Fund (UNICEF) has appointed East German figure skater Katarina Witt as a special ambassador, the Communist Party daily Neues Deutschland reported today.

Witt would be to "support the work of UNICEF to improve the situation of the world's children," the daily said.

The 22-year-old Olympic and European champion retired from competitive sport after retaining her world title in Budapest and is now studying to become an actress.

Aouita tops bill at Verona's Golden Gala

VERONA, Italy, July 26, (Reuters): The tireless Said Aouita takes centre stage at Verona's Golden Gala Grand Prix meeting tomorrow, pitting his wits against a strong field in the 800 metres.

The diminutive Moroccan, who plans to compete in the 1,500 metres at the Seoul Olympics, must see off Britain's middle distance ace Peter Elliott, top Grand Prix points scorer Vladimir Graudyn of the Soviet Union and Brazil's Jose Luis Barbosa to win his Italian laurels this year.

Gear
But whatever the distance, Aouita has always been happy running in Italy, where he has lived on and off for the past five years.

At last year's Golden Gala, he held in Rome, he smashed his own 5,000 metres world record romping home in 12 minutes 58.39 seconds. The same summer he changed gear and beat the field over 800 metres at the international Caorle meeting.

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Organisers said they had some trouble attracting more top athletes to the meeting, moved to Verona because of modernisation at Rome's Olympic stadium ready for the 1990 World Cup soccer finals.

Many of the Americans were tired after a gruelling nine days of Olympic trials which ended last weekend and Europeans were worried about peaking too early for Seoul after intensive competition earlier in the season in northern Europe.

But the United States' top high jumpers Jim Howard and Hollis Conway, first and second in the

trials, are due to compete and will take on Olympic champion Dietmar Moegenburg of West Germany.

In the 5,000 metres Kenya's Peter Koech runs against South African-born American Sydney Maree and in the 1,500 veteran New Zealander John Walker takes on Sudan's Omer Khalifa and Britain's Roger Crabb.

Expected

The women's events are without the strength of the East Germans, allowing Cubans Maritza Marten and Hilda Ramos in the discus and Nigerians Mary Onyali and Falilat Ogunkoya in the sprints to come into their own.

In the 1,500 metres Romania's Paula Ivan, who ran four minutes 0.14 seconds at Nice, is expected to compete and will be challenged by Olympic champion Gabriella Dorio, making a comeback before a home crowd after two years out of competition having a baby and a foot operation.



Aouita: takes centre stage



Graf to participate in inaugural pairs event

PERTH, Australia, July 26, (AP): Steffi Graf will represent West Germany in the inaugural Hopman Cup tennis tournament to be played here from Dec 28-Jan 1, tournament promoter Paul McNamee said today.

McNamee also said Davis Cup player Henri Leconte would head the French team for the special event, which offers a first prize of \$80,000 and will feature eight teams of one man and one woman.

Adopted
The Australian team is former Wimbledon champion Pat Cash and Czech-born Hana Mandlikova, who will be playing for her adopted country for the first time.

Partners for Wimbledon champion Graf and Leconte will be announced shortly. McNamee said, adding that he was negotiating with two-time Wimbledon champion Boris Becker to be Graf's partner.

The Hopman Cup, a warm-up event for the Australian Open at Melbourne in mid-January, is named after former Australian Davis Cup captain Harry Hopman. Competition will consist of men's singles, women's singles and mixed doubles play.

"The addition of Leconte and Graf ensures the event will be a wide-open affair," McNamee said.

Other nations confirmed for participation include the United States, Sweden and Japan.

Mitchell and Downs take Giants to victory

SAN FRANCISCO, July 26, (AP): The Los Angeles Dodgers saw Kelly Downs at his best - again. This time, however, one run wasn't enough to beat him.

Kevin Mitchell's two-run homer off Fernando Valenzuela in the seventh inning made Downs and the San Francisco Giants 3-1 winners last night in the opener of a four-game series against the National League West leaders.

"He pitched a masterpiece, and this was a big game for us - no ifs, ands or buts," Giants manager Roger Craig said. "We can't split this series. We've got to win four or three out of four."

Valenzuela, 5-8, pitched one of his better games since his last victory, which was six weeks ago. He issued five walks, but was not hurt by them, and gave up nine hits, eight of them singles.

Downs, 10-8, threw a five-hitter for a sixth victory in his last seven starts, tying his career strikeout high with eight and walking just two.

The right-hander might have pitched even better when he faced the Dodgers on the second day of the season, but Orel Hershisser topped him with a shutout.

Downs had a perfect game for five innings and allowed two hits and only one run, which was unearned, in seven.

"That was a great way to start the season," Downs said of his two-hit work on April 5. "But it wasn't great, either, because we lost."

Phillies 3, Mets 2
Juan Samuel's RBI single broke a 2-2 tie in the seventh inning and Philadelphia sent visiting New York to its third straight loss. Don Corman, 7-5, is 3-1 against the Mets this season. He gave up six hits in seven innings and Bruce Ruffin got his second save.

Cardinals 5, Pirates 1
John Tudor won his 100th career game with his first victory since June 23 as St. Louis gave Pittsburgh its fourth straight loss. Bob Walk, 11-5, had his six-game winning streak stopped. A pair of errors by third baseman Bobby Bonilla to start the fourth

inning led to two unearned runs. **Red Sox 2, Rangers 0**

The 100-degree temperatures at Texas' Arlington stadium were no match for the heat of Roger Clemens and the Boston Red Sox.

Clemens, baseball's dominant pitcher the past two seasons, overwhelmed the Rangers last night, striking out 14 and allowing just three hits as Boston won 2-0 for its 12th straight victory.

"I just don't want to be the one to kill the streak," said Clemens, 14-5, who leads the Major Leagues with seven shutouts and 219 strikeouts. "I like pitching in this weather. I'm exhausted. I must have lost seven or eight pounds."

Clemens has won 13 in a row on the road, but the Houston native hardly felt alone last night.

"I had some friends and relatives in the stands and it's good to have that kind of support," Clemens said.

Boston finally got to hough in the seventh. Dwight Evans singled with one out, went to second on a walk to Mike Greenwell and scored one out later on Jody Rea's single.

Yankees 3, Brewers 2
John Candelaria pitched a three-hitter and Don Mattingly had three RBIs, including a two-run homer in the seventh inning, as New York took sole possession of first place in the American League East.

White Sox 6, Marines 5
Jerry Reuss won for the first time since June 16 and Chicago battled around in a three-run third inning to snap a four-game losing streak. Mike Moore, 4-11, who gave up six runs and nine hits in five innings, is winless since June 24.

Results

American League
New York 3 Milwaukee 2
Minnesota 5 Toronto 4
Chicago 6 Seattle 5
Boston 2 Texas 0
California 2 Oakland 1

National League
Philadelphia 3 New York 2
San Francisco 3 Los Angeles 2
St. Louis 5 Pittsburgh 1

All Blacks post highest score of tour

MELBOURNE, July 26, (Reuters): The New Zealand All Blacks posted the highest score of their rugby union tour of Australia today, crushing a Victorian XV 84-8 but conceding two rare tries.

New Zealand fullback John Gallagher scored 36 points with four tries and 10 conversions in a night of personal triumph.

But Victoria can claim a victory of sorts with two tries, a feat not achieved outside the Test matches on this tour.

Victoria's five imports, including Queensland centre Richard

Tombs and New South Wales second rower Peter Fitzsimons, made little difference.

The All Blacks, who lead 36-4 at halftime, lost loose forward Zinzan Brooke after six minutes of the second half. He was forced off the field with a closed eye and replaced by tour captain Wayne Shelford.

The match was the All Blacks' final warm-up for Saturday's third Test against Australia in Sydney.

Teams:
New Zealand John Gallagher, Jasini Goldsmith,

Shayne Philpott, Terry Wright, John Kirwan, Frano Botica, Graeme Bachop, Andy Earl, Zinzan Brooke (Wayne Shelford), Alan Whetton, Murray Pierce, Albert Anderson (captain), Ron Williams, Warren Gatland, Kevin Borowich.

Victoria XV: David Knox, Luchian Strauss, John McArthur, Richard Tombs, Callum McGregor, Paul Cornish, Robert Ah Koi, M. McGuiness, W. Oliver, D. Thorne, Peter Fitzsimons, P. Farney, Dale Wellings, Neil Carter, N. Raikuna.

SPORTS

Sri Lanka's 3-day match ends in draw

BIRMINGHAM, England, July 26. (Reuters) The rain-hit three-day cricket match between Warwickshire and Sri Lanka was abandoned as a draw on the third and last day at Edgbaston today.

Sri Lanka's opening first class fixture of their English tour finally began yesterday with the tourists anxious for match practice.

Half-centuries from Asif Din and David Banks helped the home side to 212 for seven declared.

After a complete washout on Saturday, the tourists put Warwickshire in to bat and their bowlers enjoyed a useful workout.

Champak Ramanayake was the liveliest of five seamers and also the most dangerous, cutting the ball away from the batsman.

He had Asif caught behind for 59, including eight fours and a six, and also accounted for David Thorne (five) from a top-edged hook.

Banks made 61, his best score since joining Warwickshire from minor county Staffordshire recently, before playing on to Graeme Labrooy, who enjoyed late success to take three for 45.

Scoreboard

WARWICKSHIRE first innings
G. Humpage c Samarasekera b Labrooy 14
A. Storie c Samarasekera b Ramanayake 22
Asif Din c Silva b Ramanayake 59
D. Banks b Labrooy 61
Thorne c Labrooy b Ramanayake 21
S. Myles lbw b Labrooy 3
N. Smith b Rajadurai 0
A. Lloyd not out 0
G. Parsons not out 0
Extras (b-6 lb-14 nb-7) 27
Total (for seven wickets, declared) 212
Fall of wickets: 1-23 2-82 3-134 4-146 5-209 6-212 7-212
Bowling: Ramanayake 14-4-26-1, Labrooy 13-4-25-3, Samarasekera 9-0-32-0, Ramanayake 13-2-36-2, Rajadurai 11-1-28-1, Ramanayake 4-0-25-0
SRI LANKA first innings (overnight 13 for one)
R. Mahanama run out 6
A. Silva run out 6
M. Samarasekera c Banks b Parsons 21
A. de Silva not out 117
R. Madugalle not out 11
Extras (b-3 nb-5) 8
Total (three wickets) 225
Fall of wickets: 1-6 2-44 3-181
Did not bat: A. Ranasingha, D. Mendis, R. Rayanayake, G. Labrooy, C. Ramanayake, B. Rajadurai
Bowling: Donald 13-4-27-0, Benjamin 17-6-53-0, Parsons 9-1-24-1, Myles 12-3-37-0, Smith 5-2-20-0, Asif Din 10-1-61-0, Banks 1-1-0-0, Storie 1-1-0-0
Result: match drawn.

S. Korea receives reply to letter on participation in Olympics

N. Korea agrees to reopen Games talks

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HAYNES AND DUJON COMPLETE 10-WICKET TRIUMPH

West Indies crush England to clinch series

LEEDS, England, July 26. (Reuters) Openers Desmond Haynes and Jeff Dujon duly completed another emphatic West Indies triumph over England in the fourth cricket Test at Headingley today.

The pair added the 38 runs needed for victory in less than 30 minutes on the fifth and final day as West Indies crushed England by 10 wickets to take a winning 3-0 lead in the five-Test series.

England and new captain Chris Cowdrey stumbled towards defeat yesterday when, trailing by 74 on first innings, they slumped from 80 for two in their second innings to 138 all out — a lead of just 64.

Needed

West Indies scored 27 of the required runs before yesterday's close and Haynes and Dujon needed just 45 balls to rattle off the remainder in today's opening session.

Haynes made 25 and Dujon 40 as West Indies finished 67 without loss to record their 13th win in the last 14 Tests against England.

Demoralised England have now gone 17 Tests without a win and have not won at home in 15 games.

England, who drew the first Test but were beaten in the second by 134 runs and the third by an innings and 156, have not triumphed at home since beating Australia in 1985.

They all but lost the match yesterday when they once again failed to dismiss the West Indies tailenders and were then shut-

tered themselves by the touring side's pace onslaught.

West Indies had resumed their first innings at 238 for eight — just 37 ahead — but England allowed a last wicket partnership between Roger Harper and Courtney Walsh to flourish and add 30 runs at West Indies finished on 275.

England's second innings response began well as openers Graham Gooch and Tim Curtis put on a solid 56. But England's now customary collapse set in as soon as Gooch and Curtis had gone and only Bill Athey, Robin Smith and the valiant Allan Lamb — batting despite a serious leg injury — reached double figures.

Skipper Cowdrey and former captain David Gower were among those who failed to stabilise the innings.

Despite Lamb's bravery at the wicket, the man of the match award went to Curtley Ambrose, the giant new ball bowler finishing with match figures of seven for 98. His team-mate Malcolm Marshall collected five wickets in the match to take his series haul to 31.

Not surprisingly, there was no challenge in England's bowling today. Nine runs came off the first over with a boundary apiece to Haynes and Dujon and West Indies stroled to a victory achieved inside three playing days taking into account the unsettled weather.

Ironically, within minutes of the players leaving the field, a heavy storm lashed Headingley



Ambrose shows one of the English batsmen the way to the pavilion during England's innings.

and cut short the presentation ceremony. But nothing could dampen the West Indian celebrations.

Victorious West Indies captain Viv Richards interrupted his celebrations to warn England: "There will be no let-up."

Soon after his team wrapped up their victory, Richards said: "When you've taken the series 3-0 you can either get careless and complacent or you can accomplish more. I want this side to accomplish more by winning the last Test at the Oval."

Richards, whose side lost all three limited-overs matches against England earlier in the season, added: "This team has proved every word I said after those one-dayers. I said it would need a bit of time but soon we would be ready to take on the world. We are improving all the time."

Cowdrey, who was appointed captain for both Headingley and the final Test at the Oval, commented: "I said before the match I was under no illusions. But the major frustration is that we have lost by 10 wickets."

"In the first innings we were in a good position to score 300 and managed only 201. And in the second innings we had a good start as well. It seems that, as soon as we lose a wicket, we are under pressure."

Lamb shrugged off the tough treatment handed him by Ambrose.

Lamb, batting yesterday with a runner because of torn calf muscle, came in as England slumped to 102 for six in the second innings and was then subjected to a series of bouncers and short deliveries from Ambrose.

The West Indian was warned twice by the umpire but eventually had Lamb caught behind for 19, the second top score.

"It was what I expected," the South African-born batsman said. "He saw I was looking like a coconut shy and I wouldn't have pitched it up either. I didn't expect them to feel sorry for me. This is a Test match, not a benefit game."

Lamb prepared for the ordeal by practising ducking bouncers sent down at him by manager Micky Stewart in the indoor nets during tea.

He also wore a grill on his protective helmet for the first time. "I didn't want my face rearranged," he joked afterwards.

Lamb is refusing to rule himself out of contention for the final Test at the Oval, which starts next week.

"I'm happy the way it's healing but I accept these things can take time to heal completely," he said.

Stewart praised Lamb's innings as a "typically gutsy effort." But he added: "We've done it again, I'm afraid. From 80 for one we made 138 all out."

Scoreboard
ENGLAND first innings 201 (A. Lamb 64 retired hurt)
WEST INDIES first innings 275 (D. Haynes 54, R. Harper 56)
ENGLAND second innings 138 (G. Gooch 50)
D. Haynes not out 25
J. Dujon not out 40
Extras (b-2) 2
Total (for no wicket) 67
Bowling: Dillley 4-0-16-0, Foster 7-1-36-0, Cowdrey 3-3-0-13-0
Result: West Indies won by 10 wickets.

First Test: Nottingham (Treat Bridge) — match drawn
Second Test: London (Lord's) — West Indies won by 134 runs
Third Test: Manchester (Old Trafford) — West Indies won by an innings and 156 runs
Fifth Test: London (the Oval) — August 4 to 9
West Indies lead five-match series 3-0.

Galaxy score easy win

GALAXY Cricket Club thrashed Golden Star by 60 runs in a Friendship Cricket Cup match at the Airport-Millat ground on Friday.

Galaxy's skipper Ghulam Haider won the toss and elected to bat. His decision paid dividends as Galaxy put on 180 runs for the loss of only five wickets in the 20 allotted overs.

Tariq Chaudhry was the top scorer with a quick-fire 48. He hammered leg-spinner Salahuddin for three sixes and two fours in one. He also hit Fawaz and Mubarak for a six each before being caught.

Mushtaq batted with a lot of patience for his unbeaten 38 while Zafar Iqbal scored 26. For Golden Star, Mubarak got two wickets while Sabah, Salah and Fawaz shared the other three.

Needing nine runs per over for victory, Golden Star started their innings on a positive note when Sabah and Mushtaq went for the runs from the start.

Golden Star's innings progressed well until Riaz Mian bowled Sabah for 31 and Taj Malik's direct throw to the bowler's end knocked down the stumps with Mushtaq well off the crease. Mushtaq scored 26 runs.

After the dismissal of the openers the limitations of the Golden Star batsmen were exposed. Ghulam Haider got two wickets which came with the help of superb catches by Mushtaq and Taj Malik.

The main damage was, however, done by bespectacled Javed Shah who took five wickets for only 17 runs off 4.2 overs. Four of his victims had their stumps uprooted. Golden Star were all out for 120 in 18.2 overs.

Galaxy earned 11 points for their victory which took their total to 33 from three matches.

Czech player

EDMONTON, Alberta, July 26. (AP) A star with the Czechoslovakian national hockey team is defecting in order to play in the National Hockey League for the New York Islanders, said the office of the player's agent.

Forward David Volek was to arrive at Edmonton's international airport last night from Frankfurt, West Germany, Rich Winter's office said.

Clubs with two or more players in national sides contesting the Olympic final may postpone their second leg matches until October 12, the spokesman said.

Remember

He added that Swiss club Grasshopper Zurich, who have been banned from playing their next home match on their own ground because of crowd trouble at a previous UEFA competition, would be allowed to stage their Cup Winners' Cup first-round first-leg match against West Germany's Eintracht Frankfurt in either Basle or Berne.

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Strikers move into semifinals

THOMAS VARGHESE sealed Goa Maroons' fate when he scored the winner for U.G. Strikers to put his team into the semifinals of the United Goans Centre's Xth Annual Football Tournament at the Sour grounds on Friday.

Strikers held the upper hand throughout the match because their opponents were missing several of their regular players.

Felix and Xavier controlled the midfield for Strikers and fed the forwards regularly but more goals failed to come their way as the front line missed the opportunities to score.

Maroons got a chance to put the game on even terms in the 20th minute when a combined move by Peter and Nicholas put right winger Jasser in a scoring position. Jasser's feeble attempt was, however, cleared off the goal-line by Strikers' defender Rafiq Muzawar.

In the other match played on the same ground after the first game, Starline were knocked out

of the tournament by former champions Boys Own Club (BOC). This match also was decided on a solitary goal — scored by Bobby Dod off a header in the second half.

The Starline squad were strong in defence but ultimately were broken up by some strong BOC attacks which ended in the goal by Dod.

On Friday, Santos meet Goa Sporting while Incredible take on Sakete United to decide the other semifinals.

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Cottee to join Everton for £2.5m

LONDON, July 25. (Reuters) West Ham and England striker Tony Cottee is to join First Division rivals Everton for a British record transfer fee of about £2.5 million (\$4.3 million).

Cottee chose yesterday to join Everton instead of Arsenal, signing a five-year contract.

At 1.72 metres, Cottee is short for a striker, but his extreme sharpness near goal has already brought him into the reckoning for England's next World Cup challenge.

Decision

Cottee took most of the day to make his decision, having spoken with rival managers Colin Harvey of Everton and Arsenal's George Graham.

Everton chairman Philip Carter also made the trip to London to help make up Cottee's mind.

In the end he chose a complete change of scenery by moving north to work with the man he learned to admire on England trips, Everton player-coach Peter Reid.

Cottee is looking for the move to one of the League's top clubs to boost his England career. He has three caps but has yet to start an international.



Tony Cottee

"My ambition has always been to establish myself in time for the 1990 World Cup in Italy," he said.

Cottee joined West Ham direct from school and has averaged a goal every third game in around 200 senior matches. In 1986-87 he hit 29 League and Cup goals but last season, as West Ham struggled, he managed only 14.

His transfer figure beats the old record set two and half weeks ago when Tottenham signed

Newcastle midfielder Paul Gascoigne for £2 million (\$3.45 million).

That sum bettered the previous highest British transfer fee of £1.9 million (\$3.27 million) also paid to Newcastle when Liverpool signed their England striker Peter Beardsley a year ago.

Only two British players have cost more than Cottee — Gary Lineker (Everton to Barcelona for £2.7 million (\$4.65 million)) and Ian Rush (Liverpool to Juventus for £3.2 million — \$5.5 million).

The world's most expensive player is Dutchman Ruud Gullit. He cost Italian champions AC Milan \$8.5 million last year.

Everton must have also to pay £525,000 (\$900,000) for Newcastle defender Neil McDonald.

An independent soccer transfer tribunal ruled yesterday that Everton must also hand over 25 per cent of any future profit they make on the sale of the England under-21 player.

Everton originally offered £450,000 pounds (\$780,000) but Newcastle valued McDonald at £850,000 pounds (\$1.47 million).

Another First Division club,

Derby, signed striker Paul Goddard from Newcastle for £425,000 pounds (\$730,000) yesterday.

Liverpool manager Kenny Dalglish had expressed interest in signing the 26-year-old Goddard, who made one appearance for England six years ago, but the striker wanted to move further south for family reasons.

Meanwhile, Newcastle raised their spending this summer to almost £3 million (over \$5 million) when they bought Andy Thorn from FA Cup winners Wimbledon today.

Thorn, an England under-21 central defender who will cost Newcastle £850,000 (\$1.5 million), joins his former Wimbledon teammate, goalkeeper Dave Besant, at the northern club.

"(Thorn) is our player, subject to the medical, and he will be signing a five-year contract," Newcastle manager Willie McFaul said.

McFaul has funded his new signings, who also include Scottish under-21 striker John Robertson, by selling several players.

Keegan (right): not worried over repercussions

Keegan unrepentant about playing in South Africa

JOHANNESBURG, July 26. (Reuters) Former England soccer captain Kevin Keegan, in South Africa to play for a Cape Town team, is unrepentant about breaking an international sporting boycott of the country.

"I am not worried about any repercussions of my visit here. I am a sportsman and that is that. The only person I answer to is myself," Keegan told reporters after arriving in South Africa on Sunday.

Career

The 37-year-old Keegan, who retired from professional soccer four years ago after an illustrious career with Liverpool, Hamburg of West Germany, Southampton and Newcastle, has agreed to play two matches for local club Cape Town Spurs.

He will also hold coaching clinics in black townships during

a stay of several weeks in South Africa